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**Charlotte A. Randolph, Parish President**

**Office of Emergency Preparedness**

Senate Hearing Written Testimony – US Department of the Interior  
Moratorium on Oil and Gas Drilling in the Gulf of Mexico  
Presented by  
Charlotte Randolph  
Lafourche Parish, Louisiana

Chair Landrieu, Ranking Member Snowe, Members of the Senate Committee on Small Business and Entrepreneurship, I am Lafourche Parish President Charlotte Randolph. I very much appreciate the opportunity to tell you of the detrimental impacts a sustained oil drill moratorium is and will have on our parish.

On May 8, oil first appeared on the shores of Lafourche Parish from the Deepwater Horizon blow out. We have now endured 70 days of relentless effort to protect our valuable wetlands and our wildlife. Birds don't fly. Fish don't swim. And fishermen can't make a living.

Then came the moratorium on deepwater drilling. Literally insult to injury.

9 of the top 10 taxpayers in Lafourche Parish are located at Port Fourchon, which services all 33 rigs singled out in the moratorium. The spill has decimated the fishing industry, the moratorium will essentially end life as we know it in our parish.

Up to 40% of our tax base could be lost by 2012 as a result of the drilling ban. At other hearings, testimony by rig owners indicates that they intend to leave the Gulf for other opportunities elsewhere in the world. Some employees have been offered transfers to locations in other states. Families are now making decisions as to whether the husband and father will live elsewhere, with the rest of the family staying behind to finish schooling. These are the lucky ones; the rest will be terminated.

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Charlotte A. Randolph	Parish President	Matt Matherne	District 5
Jerry Jones	District 1	Lindel Toups	District 6
Michael Delatte	District 2	Phillip Gouaux	District 7
Louis Richard	District 3	Rodney Doucet	District 8
Joseph "Joe" Fertitta	District 4	Daniel Lorraine	District 9

A mixed message: In April 2010, the unemployment rate in the Lafourche – Terrebonne area was 4.4%, the lowest in the nation. By November 30, the number of unemployed will increase dramatically. In this country, a whole lot of money has been borrowed to create jobs to stimulate the economy. And in his State of the Union address, President said “Jobs will be our #1 priority in 2010”. People in Lafourche Parish and those associated with the oil and gas industry and its support services are not expendable Americans. We fuel this country.

On May 28 I had the opportunity to personally ask President Obama to reconsider his decision based on the devastating economic blow we would suffer. He declined. But he did offer to send down an economic team to assess the moratorium’s impact on our parish. Again, that was May 28; the team arrived Sunday, two months later. Where’s the urgency?

President Obama in early May: “We’ve announced that no permits for drilling new wells will go forward until the 30-day safety and environmental review I requested is complete.” That was the first intense scrutiny of the industry. Some of those commissioners disagreed with the moratorium decision, yet it was established anyway. The President formed another commission, asked to restudy this for at least 6 months. We will die a slow death.

DNR released U.S. Department of the Interior records that show that since the BP well explosion in May and Interior Secretary Ken Salazar issued his first moratorium, only four shallow-water wells (less than 500 feet) have received federal permits — one in May, two in June and one, so far, as of July 22.

Gov. Bobby Jindal and other state and industry officials have repeatedly complained about a "de facto moratorium" on shallow-water wells.

Governor Jindal has also said, "New requirements for shallow-water drilling are causing permitting delays that could lead to significant additional economic impacts on top of those caused by the deepwater drilling moratorium. Shallow-water OCS drilling activities support thousands of Louisiana jobs in addition to those related to deepwater activity."

The DNR records show that in the 11 months before the moratorium, the federal government approved an average of 14 shallow-water drilling permits per month.

In the first four months of 2010, permits were approved for 72 shallow-water wells — 16 in January, 13 in February, 24 in March and 19 in April.

Based upon the rationale behind the new moratorium on deepwater drilling issued earlier this month by the Secretary of the Interior Ken Salazar, I am today asking you to join with me in challenging the President, Secretary Salazar and the federal government to protect all Gulf States from another spill as completely as possible: Stop all oil tanker traffic in the Gulf of Mexico.

Statistics indicate that an oil tanker has a four times greater chance of spilling its cargo than an oil well has of blowing out. 3000 tankers a month from around the world carrying up to 3 million barrels of travel the Gulf all the way to the Port of Houston daily. The moratorium’s own language emphasizes the shortage of resources available to respond to another spill in the Gulf as a reason for pause. In order to resume activities,

operators must submit evidence demonstrating that they have the ability to respond effectively to a potential oil spill in the gulf, given the unprecedented commitment of available oil spill response resources that are now being dedicated to the BP oil spill.

In closing, I thank you for the opportunity to testify today. Let me give you some individual examples of businesses impacted by the moratorium. These are businesses that have contacted my office and I include their stories in their own words:

#### KIRK TRUCKS

My name is Shelia Rouse and I am writing to you on behalf of my husband's business. He has been in business with the oil field for 20 years. His name is Kirk J. Rouse, Sr. He is an owner/operator truck driver and terminal manager. He hauls offshore oil field equipment. He gets paid by the number of loads he hauls and by the commission he makes on the trucks leased to our terminal. With this ban in affect, we will have no income coming in. Even after the ban is lifted in six months, most of the oil companies will have left and we will still have no work. This will lead to financial disaster for myself plus the men who work for me.

My company directly works with the oil industry by hauling offshore equipment. We have 20 employees at our terminal. With the ban in affect now, we are just about out of work at our terminal. Our office will be closing its doors soon, putting myself and 20 people out of a job. A six month ban on offshore drilling will destroy the offshore trucking industry. By the end of the six months, I probably will have lost my home, my trucks, my vehicles, etc. I will struggle to feed my large family of eight. I think that the ban should be lifted immediately so we can try and salvage our industry as well as our parish of Lafourche and its wonderful people in it. Once the ban is lifted, inspections on each rig should be done regularly and if any violations, each should be dealt with individually.

#### EXPERT RISER

Thank you for this opportunity to provide data and facts concerning the loss of business due to the recent moratorium placed on deep water drilling. Expert Riser Solutions is a direct service provider to almost every deep water MODU operating in the Gulf. Inspection and repair services located at a port facility provide quick repairs for critical drilling equipment and reduces transportation cost for large oilfield equipment. Our expertise for critical inspection and repair for risers is a mandatory requirement for critical drilling equipment.

Expert Riser Solutions directly provides inspection and repair services for Marine Drilling Risers. Customer base: Transocean, Noble, Diamond, Sea Drill, Ensco, Shell, BP, Chevron and Exxon.

We currently employ 23 indirect and 89 direct labor employees.

Within two weeks we have plans to reduce our work force by 20%. If the moratorium continues full term we could lose 60% of our work force.

Long term (six months) with no Drilling in the Gulf will cost ERS approximately \$16M in lost revenue which in turn reduces Lafourche Parishes' taxrevenues.

Americans cannot afford dependence on foreign Oil. Extending the moratorium on deepwater drilling will force the Oil Companies to systematically pull the deepwater drilling units from the Gulf and send them

overseas for exploration. Africa, Brazil and Malaysia are hungry for these rigs. I seriously doubt the Oil companies will ever bring them all back to the Gulf. The US Gulf of Mexico has untold amounts of oil beneath its waters most of it untapped in water depths below five thousand feet. Continuing to explore and produce Gas and Oil from the GOM will provide Americans a cheap source of energy for decades to come. The current moratorium banning exploration in the Gulf's ultra deep waters will certainly cost US taxpayer jobs. The backbone of the America work force depends on cheap energy to support this country. The loss of exploration and eventually production of hydrocarbons from the GOM will continue to reduce the level of living for all middle class Americans.

#### LARIS INSURANCE AGENCY

We provide insurance coverage and risk management to companies directly in the oil and gas industry.

Total staff of 30, all affected greatly. 50% of our staff would have to be let go, at least 15 employees.

Our revenue would be reduced by at least 50%, which would be detrimental!

People will not be able to pay their premiums.

#### VISION COMMUNICATIONS

Currently 116 employees. The moratorium will result in less disposable income, therefore reducing the number of subscribers and customers. This downturn will also reduce funding for maintenance of infrastructure.

#### CENTRAL GULF TOWING

My business will be affected by the shut down of deep water drilling. I have two boats that work with dive boats and also in the construction of offshore facilities and pipelines. If I have to tie up these two vessels that would be 12 highly trained and qualified personnel that I would have to let go. It would mean that I would have to let one or two shore personnel go also.

Although I would be affected by the shut down, the greater affect would be the trickle down effect across the United States. The United States still runs on oil.

I am a small company, but consider these facts. Let's say that I had an annual payroll of \$6 million and I had to tie up 2/3 of my equipment due to lack of work, which means that my payroll would now be \$2 million per year. You take my \$4 million annual salary lost and than multiply it by all the other lost salaries and see where that number goes too.

This lost salary starts to affect government (local, state, & federal), the food store, service stations, box stores, drug stores, doctors, hospital, car dealers, banks, restaurants, insurance, and so on down the line.

If South Louisiana has to suffer through a shut down off deep water drilling, than I think that we should look at shutting down LOOP. The super tankers and the LOOP pipeline could have problems also. This way the whole country would feel the pinch with Louisiana.

LISA NEAL

Today is a very, very sad day for my family. After working in the Gulf of Mexico oilfield for 33 years, I hugged my husband as he departed to begin working in the oilfields of CHINA!

(Just as all of our manufacturing jobs have gone to the other side of the world, now our experienced oilfield workers are going there too!!!)

Our family is familiar with the sacrifice of sending Ed away from home to work but this time it was very different. No longer does he have a short boat ride to reach his rig in the Gulf of Mexico, he now faces a complete day of flying across the world to Shekou, China so that he can provide for his family.

The GOM oilfield can be a dangerous place to work but that risk is one that my husband can train for in the many safety trainings that he attends. This new journey risks -- the risk of flying across the world -- the risk of going to a country that does not have a strong democracy and liberties as we have here - the risk of working in an environment where the English language is not primary. Communication is paramount to have a safe work environment!

Being so far away from home, my family loses the comfort that if an emergency takes place, my husband cannot just come home! His 86-year-old mother, who relies on Ed for everything she needs due to her age and a stroke, is unable to have the comfort of her son available to handle her health care decisions and basic needs.

All of this is happening because President Obama and Secretary Salazar have no compassion for the people of South Louisiana. The human toll is inhumane.

Tonight, Secretary Salazar will sleep in his bed at home and President Obama will sleep in OUR HOUSE; yet, my husband will still be on a plane flying halfway across the world just so that he can earn a living.

Our jobs are in jeopardy! Bring back our experienced workers to home soil with domestic jobs. I beg for the President and Secretary to stop killing our economy and livelihoods. Repeal the moratorium so that we can earn a living! Bring my husband home!