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Witnesses: Increased Offshore Oil, Natural Gas, Wind Production Creates Thousands of Jobs, Grows Economy

WASHINGTON D.C. – The Energy and Mineral Resources Subcommittee held an [oversight hearing](#) today on “America’s Offshore Energy Resources: Creating Jobs, Securing America, and Lowering Prices.” The hearing focused on the significant economic growth that increased production of offshore oil, natural gas and wind energy.

“In light of record debt and deficits, and the current sequestration cuts going into effect, we should be looking for every opportunity possible to raise new revenues without raising taxes. Energy production is one of the best ways to do that. A recent report found that allowing new offshore energy production in areas that are currently closed would create long-term benefits of 1.2 million American jobs and an \$8 trillion increase in GDP. Unfortunately, President Obama is forfeiting these economic benefits by maintaining his offshore drilling moratorium,” said [Natural Resources Committee Chairman Doc Hastings \(WA-04\)](#). “If reducing the debt is a priority; if growing our economy is a priority; if creating new American jobs is a priority; and if lowering gasoline and energy prices is a priority - then we need to make increased American energy production a priority. The United States has yet to reach its full energy potential, but it can if the Obama Administration would simply get out of the way and allow the people’s energy resources to be harnessed.”

“This subcommittee has long explored the many facts and figures included in several studies that point to the far-reaching job creation potential of an aggressive offshore energy program in the United States. We simply cannot stand by as energy production on state and private lands carries the day while production on federal lands withers – this is especially true of our nation’s Outer Continental Shelf – where the Administration has left 85% closed for the next half decade,” said [Subcommittee on Energy and Mineral Resources Chairman Doug Lamborn \(CO-05\)](#). “It is my hope that the testimony from our witnesses today will shed greater light on the positive economic story that offshore energy development has to offer.”

All four witnesses agreed that increased offshore energy production can be a major catalyst for direct and indirect job creation and economic growth.

[Chett Chiasson](#), Executive Director of the Greater Lafouche Port Commission told the

subcommittee that *“More than 250 companies utilize Port Fourchon in servicing offshore rigs in the Gulf of Mexico, carrying equipment, supplies and personnel to offshore locations... provide services to 90 percent of all deepwater rigs in the Gulf of Mexico, and roughly 45 percent of all shallow water rigs in the Gulf.”* Port Fouchon’s 8,000 direct jobs support *“more than \$63 billion in total value of oil and gas”* and *“should be seen as an example of what could happen in areas along Florida’s Coast, and the East and West Coast if these areas would be available for conventional and renewable energy development.”*

[Brian Kroll](#), Senior Economist for the Virginia Economic Development Partnership conducted an economic analysis to estimate the benefits of install offshore wind energy off the coast of Virginia. Kroll found, the two phases of offshore energy development could support thousands of new jobs in Virginia and *“Over the ten years of the analysis...Virginia’s GDP would gain \$9 billion and state-level tax revenues would gain \$119 million.”* Kroll concluded *“offshore wind energy has significant potential to create career-length jobs in the supply chain which will build and support the equipment used in the wind farms.”*

[Cory Kief](#), Director of Business Development for Crosby Tuggs, which owns and operates 143 tug boats, discussed how the company *“employ[s] 673 people consisting of mariners, office staff, support crews, mechanics, welders, sand blasters, painters and roustabouts.”* Kief explained the downstream job creation effect of offshore energy production, *“As with any industrial company, we buy numerous supplies and services from around the country to support our activities. Similarly, while these rigs are working, they require other services to support their task such as supply vessels, aircraft, and a variety of human resources. The machinery, equipment, parts and materials associated with all these operations come from all over the country, as well as the people.”*

[Robert Mitchell](#), CEO of Atlantic Grid Development, is developing an undersea electricity transmission cable for offshore wind. Mitchell cited a report that said a *“Mid-Atlantic build-out [of offshore wind] can create approximately 310,000 jobyears of work (about 31,000 workers) in the US”* and *“additional economic activity would increase the GDP by \$33 billion and increase Federal, state and local taxes by \$7.5 billion.”*

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