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**Testimony on the
“Obama Administration’s De Facto Moratorium in the
Gulf of Mexico: Community and Economic Impacts”
March 16, 2011**

Good morning Chairman Hastings and members of the House Committee on Natural Resources. Thank you for the opportunity to represent Lafourche Parish on this very important national issue.

Characterizing what happened in the Gulf of Mexico on April 20, 2010 and beyond, as simply an “oil spill” does not begin to describe the tragic magnitude of the event.

Eleven men died in the explosion, thousands of wildlife were sickened or killed, fishing waters were tainted and miles upon miles of beaches from Florida to Texas were stained. Two words can’t sum up this disaster.

Those of us who have lived with this disaster for 329 days have witnessed a semblance of recovery. BP’s early commitment enabled many to recapture what they were losing in earnings in 2010. But the cleanup workforce has been reduced to a skeleton crew and we approach the next fishing season with trepidation.

But that’s not where the money is. The number of full-time fishermen has diminished over time. While fishing still defines our culture: we are traditionally harvesters of our natural resources - the oil and gas industry has been the mainstay of our economy for almost 80 years.

All of the top 10 taxpayers in Lafourche Parish are located at Port Fourchon, which services all 33 rigs singled out in the initial moratorium. The spill has decimated the fishing industry; a continued de facto 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 hearings last year, testimony by rig owners indicated that without work, their equipment would leave the Gulf for other opportunities

elsewhere in the world. The Lafourche Parish government 2011 budget is based on anticipated property tax losses of 18 percent, allowing for only one capital project.

Some employees have been transferred to locations in other states and countries. 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 or to work. At least for now the paychecks are coming home. These are the fortunate ones; the rest will be terminated.

The residual effect of this policy is quantifiable in that while most have retained their jobs, some may begin to lose benefits. Perhaps the best example lies in our parish hospitals. Two are acute care, one is a major regional medical center which just completed a major \$90 million expansion – cash.

The men and women who work in oil and gas not only are paid significant salaries, but are also covered by excellent health and retirement benefits.

Expensive hospitalization policies could now be targeted for reduction in coverage, which results in more uninsured people, putting a greater strain on our area hospitals. Reduction in coverage results in higher deductibles, reducing expendable income. As we are all acutely aware, private insurance covers a patient more extensively. Government policies do not cover near what private insurers do.

Follow me here, for the ripple effect ensues. If medical centers and clinics are not paid adequately, current staffing is reduced. More people out of work, less people carrying health insurance. Unemployed and under employed people do not shop and do not buy cars. Employment levels at grocery stores and at car dealers are thus impacted.

The final result? A reduction in sales taxes. Schools, law enforcement and public services suffer. Roads and bridges deteriorate. Less senior citizens are fed through the Meals on Wheels program.

Too often in this country we vilify major corporations, forgetting that it is individual men and women who are the company. There is no Mr. Chevron, but there is Mr. Chermie, whose grandfather converted his fishing boat to a vessel that would serve the oil and gas industry. Mrs. Chermie is a teacher,

whose retirement is invested in part in oil and gas stock. Their children attend schools funded by property taxes paid by oil and gas. They buy their cars at Golden Motors in Cut Off, buy groceries at Frank's Supervalu and eat out at B & E Seafood.

The parish, the state and the federal treasury lose contributing taxpayers. It is a vicious cycle that only immediate action by BOEMRE can rectify.

Next week I will be Norway to present my perspective of the Macando disaster. In that region is an ongoing debate about whether to allow and encourage oil and gas exploration. The proponents see an opportunity for increased revenue, jobs and investment. The opponents are very concerned about the pristine environment. Sound familiar?

I will tell them that it has been 40 years since a major flow of oil was unleashed into the environment. I will say that we have happily coexisted for many years. Recreational fishing is great near the energy platforms. We sheltered Katrina evacuees in a community center powered by a generator donated by BP. Many, many people have lived a good life working for oil and gas. And they have taken great pride in that the work they do fuels the corn farmer in Nebraska and the boats in Los Angeles' harbor.

I have no doubt that creative, innovative, enterprising Americans will one day fuel this nation on alternative energy. It could happen with the energy industry we now know. But this won't happen for another 30 years, at least. Until then, America cannot rely on Egypt, Libya or Saudi Arabia. Americans are relying on us. Right now.

The President's promise for a greener nation should not cause unemployment and higher energy prices. That's change for which no one bargained.

Finally, 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 oil travel the Gulf past the Florida Keys, up the Mississippi River, all the way to the Port of Houston daily. The only superport in American waters is located 18 miles off of our coast. With the Gulf of Mexico shut down, the demand for foreign oil will only increase, and so will the danger of a spill. With the unrest in the Middle East continuing, does that not make those of us who

live along the Gulf Coast more susceptible to a potential attack on an enemy's ship? Does inaction by BOEMRE put American lives in danger?

Let us go back to work to fuel America.