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Testimony
Before the Committee on Resources
United States House of Representatives

Hearing on "The Benefits of Offshore Oil & Gas Development"

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I am Hank Danos, Chief Executive Officer of Danos & Curole Marine Contractors located in Larose, LA. We are a company that serves energy-related businesses by providing skilled contract personnel, marine liftboat service, offshore construction crews, and shop fabrication service to offshore oil and gas customers around the globe.

I am very proud to represent Danos & Curole today. I am also pleased to represent the National Ocean Industries Association, the only national trade association representing all facets of the domestic offshore petroleum and related industries. I also serve on the Board of directors of the Offshore Marine Service Association (OSMA) and am also on the executive subcommittee of the Offshore Operators Committee (OOC) I want to thank Chairman Gibbons and the entire Subcommittee for holding this hearing on the importance of the offshore oil and gas industry.

Clearly, we are now in an era of insecure and expensive oil and gas imports. Expanding domestic oil and gas supplies is critical to our economy and our energy security – it remains a high priority for the country. We also recognize that there is a growing consensus among policy makers that we can only enhance our energy security if we move forward on regulatory reform, gain greater access to public lands, and implement common sense environmental standards.

We can speak with some authority on these issues because Danos & Curole has been in operation for over 50 years in the oil and gas industry. As a leader in the oilfield industry, we are a flexible, responsive full-service contractor with a high standard of excellence. Ask any of our more than 900 employees or any one of our customers and they'll say we are a company committed to safety, training and the quality development of our personnel.

The service and supply companies are the backbone of the oil and gas industry. There are over 100 such companies in Louisiana, representing thousands of employees earning high-end wages. In light of the fact that a single paycheck changes hands 7 times throughout a community, literally every faction of our society and economy is affected by the extraction and production of oil and gas.

Recent developments in offshore oil and gas exploration and development in the Gulf of Mexico have brought new economic growth to Port Fourchon and the surrounding community. As other offshore service companies are attracted to the area, additional job opportunities and economic spin-offs will occur.

The oil and gas industry plays an important role in the Louisiana economy, and the only way that the service sector can effectively contribute to a continuous and adequate supply of oil and natural gas is through new and uninterrupted access to exploration and production. Many service companies have felt the devastation of past boom and bust cycles of oil & gas development. Down turns and prolonged interruptions of production cause serious impacts to the workforce – thousands of former oil and gas employees have left the industry to seek more stable employment elsewhere. Consequently, we are seeing many out-of-state workers. Many come to Louisiana to work a rotation, and go back home to Texas, Oklahoma or other areas, without moving their families to Louisiana.

Just as rural America has seen the socioeconomic devastation of small communities that were dependent on timber harvest and sawmills, we too depend on guaranteed, uninterrupted production of hydrocarbons to ensure the stability and general health, safety and welfare of our community. Without assurance that new exploration and production will continue through timely and consistent permitting, we lose the confidence of investors whose capitol investments drive the development of needed infrastructure. A disruption in supply and demand causes a domino effect that ripples from the service company to the grocery store, to the gas station, to the hospital, to municipalities and local governments, etc. etc.

The equation is simple: the citizens of the US demand energy, Louisiana has numerous forms of energy reserves, Louisiana also has people who are willing to risk their capital and devote their own working energy to responsibly meet the national demand. Leadership and implementation from federal agencies, based upon airness and facts are urgently needed to respond to this demand. We, the service men and women for this industry are ready, willing and able. We urge the Congress

to assist and encourage the federal agencies.

In closing, I would like to again thank the Subcommittee for the opportunity to comment on these critical issues.

Thank you.