

**Lori Davis
President
Rig-Chem, Inc.**

**Testimony on:
“Gulf of Mexico: A Focus on Community Recovery and New Response Technology”**

April, 15, 2011

Thank you Committee Members for giving me the opportunity to share my comments regarding how my company, Rig-Chem, Inc. has attempted to recover from the Deepwater Moratorium and Defacto Moratorium imposed by the Obama Administration without just cause and to address the challenges we continue to face in business, life and community one year later.

Rig-Chem was formed in 1980 as a small business catering to the drilling industry and in 1984 my Father was forced into early retirement by the downturn in the oil and gas industry. With his \$25,000 severance package given to him by his employer Schlumberger after 21 years of service he bought stock in Rig-Chem. He and my Mother created an environment and opportunity for his children with hopes that the company would grow and support our family for many years to come. During the years to follow we faced tough times through competition, business challenges as many small family owned companies face. Through hard work and dedication we continued to fight never turning our focus from the industry we supported and that supported us.

Today as President and co-owner of Rig-Chem I have been faced with a battle that we were never prepared to fight. Since the Moratorium on our industry and the slow recovery things have been extremely difficult. Our emotions continue to run high and the people that remain are still concerned about their uncertain futures. The majority of my family have stayed with the company, my sister who is my business partner, my son, daughter in-law and cousin have all committed to making things work no matter what we have to do. Other employees that have been with us for many years who are all just like family have also made commitments to stay but sadly several others after experiencing the daily pressures of worry, anxiety and concern for their jobs decided to leave to work with companies they felt offered more security. Many companies I speak with have chosen to compromise by not laying off their people and deciding to use a mixture of fund sources and in turn have kept the Federal Government free from the long unemployment lines that were expected!

Last year when I was asked what were we going to do to survive this catastrophe and if we were going to lay any people off, my answer was “*definitely not, not today, we’re in hurricane mode, this is what we plan for during this time of the year We have learned from past experiences more recently Katrina, Rita, Gustav and Ike that pulling together and being prepared helps us through these difficult times and being a small company today is positively a blessing but this can’t last forever!!! In this competitive environment replacing and training people is too hard in an industry driven by experience and safety requirements and letting people go would create such a set back that it makes more sense to enter survival mode and adjust instead.*”

That was my statement on June 24, 2010 today things are quite different. The adjustments we have made to remain in business were to deeply cut everyday into our quickly diminishing savings. For the first time ever we have had to activate lines of credit to keep a float for the basic expenses which were a difficult thing to accomplish during times when banks are also feeling the pressure. If we had not had the liquidity in our company and the stability of personal finances we would have been out of business. Small businesses under normal circumstances usually have a tough time competing due to size. However today coupled with industry permitting issues, lack of the ability to quickly move operations into other markets, the loss of employees to large companies with deeper pockets and more resources we are severely struggling. Also, increases in materials due to high oil and gas prices have added a tremendous burden to our already vulnerable position. Company plans remain on hold for desperately needed capital improvements to our 22 year old facility which also adds to our worries.

We had determined that Rig-Chem could maintain without cutting salaries or benefits for our (15 Louisiana) 2 (Texas) and 1 (Maine) employee that we provided with, 100% employee health care coverage, an 11% profit sharing contribution plus 4% 401K matching along with disability, dental, life insurance and 2 week paid vacation until December of 2010. Sadly we were forced to eliminate the profit sharing contribution which had been in force since 1996, reduce the benefits to our healthcare plan, continue with a spending freeze and eliminate any capital expenditures until further notice. These cuts only represent the changes imposed at Rig-Chem to date. I firmly believe each household in this community has experienced a reduction in benefits or income unless they were employed to support or advantage from the BP cleanup operations.

As a company we have been forced to look for other opportunities some outside this state and others outside this country. This catastrophic event has been a hurricane with no end in sight and in no way an event we were ever prepared to weather or financially support.

As the lifting of the moratorium occurred it implied that people were back to work that our industry was back to normal. Things will never be the same and I believe we all agree that the tragedy which occurred at Macondo, the loss of life and environmental impact surrounding this event should never, never be repeated. We also know that we need more than ever something that resembles normal for our people and to help us heal from the unspeakable neglect by our Federal Government. It may very well mean for some to leave an industry, leave this state or maybe even this country.

If we're ever going to recover from this we must speak out, share our fears, educate the individuals and help them to understand that we're not the bad guys; we're hard workers, families, business owners and individuals doing what we know what we love and what keeps this country safe and moving forward doing it safely.

The Obama administration has done absolutely nothing to protect, help or support us as people in an industry that feeds, protects and powers this nation. Our call for transparency should be heard and agendas removed. We need clear supported direction from our Government with quick response and action!

I'm tired of feeling the constant battle against us by the people chosen to lead us during difficult times..... This has been an insult and a direct and personal attack on us individually and on us an entire industry that has for many years proven that it can operate safely. Why should one company's mistakes become the burden for our entire industry.....this is wrong and undeserved.

We all want a safe, healthy environment; we understand the need for alternative energy. It just can't begin by flipping a switch and wiping out an entire industry in the process.

Thank you,

Lori Davis