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U.S. Senator Bill Cassidy 520 Hart Senate Office Building Washington, DC 20510

U.S. Minority Whip Steve Scalise U.S. House of Representatives 2049 Rayburn House Office Building Washing, DC 20515

U.S. Congressman Clay Higgins U.S. House of Representatives 424 Cannon House Office Building Washington, DC 20515 U.S. Senator John Kennedy 416 Russell Senator Office Building Washington, DC 20510

U.S. Representative Mike Johnson 418 Cannon House Office Building Washington, DC 20515

U.S. Congressman Garret Graves U.S. House of Representatives 2402 Rayburn House Office Building Washington, DC 20515

Dear Louisiana Delegation Members,

Leasing and drilling moratoriums are an existential threat to our nation's energy security and equate to unemployment of disastrous proportions in the Gulf Coast region and beyond. Additionally, the most significant (and only recurring) source of funding for coastal protection and restoration would be drastically reduced, thereby gutting America's most expansive program of environmental and climate resilience.

The South Central Industrial Association (SCIA), our 250 member companies and their 240,000 employees look to you for the future of our energy industry and our region. These men and women are directly involved in the oil, gas, marine and energy service industries and live in Louisiana and are powering American energy production and dominance in the US Gulf of Mexico. SCIA members are the economic driver of the state and SCIA advocates on their behalf for levee protection, infrastructure, regulatory issues, workforce development, coastal preservation, and coastal restoration, all of which are funded through the oil and gas revenues. Additionally, a growing segment of our membership are employed in the water management and coastal restoration industries. Both of seemingly disparate economic clusters have a great common denominator – they are both powered by robust offshore energy exploration and production and the revenues directed to coastal restoration and protection via GOMESA.

President Biden's Administration has already enacted a departmental order for a 60 day moratorium on new lease sales and permits in the Gulf of Mexico. It is now being widely reported in the press that he intends to unveil an executive order instituting a <u>one year moratorium on oil and gas leasing and permitting on federal lands and waters this week</u>.

A recent analysis found that such a ban, if enacted, would trigger the loss of nearly 1 million jobs in the first 12-24 months, 48,000 of which are located here in Louisiana – and the brunt of those lost jobs would come from our members in the Bayou Region. These restrictions, if enacted, would significantly reduce our domestic energy production, making our nation once again dependent on energy from foreign nations and allow them to profit

from their less reliable supplies, fewer environmental regulations and higher carbon emissions footprints.

The financial impact of eliminating the only significant and recurring source of revenue to restore and protect our Working Coast is also catastrophic to the sustainability of Louisiana's coastal communities. A setback of this magnitude to the currently growing water management and coastal restoration industry in Louisiana will conservatively derail at least nearly 8,000 good paying jobs with an annual economic output of over \$1 billion in Louisiana alone. The average wage for these green infrastructure jobs is nearly 30% higher than the state's average wage.

We strongly encourage all of you to remind your colleagues across the country and across the political aisle to understand the importance and value of the American energy industry to our nation's security, economy, culture and sustainable future and advocate for continued leasing and production of oil and natural gas reserves off our coast.

Furthermore, the Administration has a raft of policy and process options available to them short of an immediate ban which will inject such widespread uncertainty into an already fragile economic recovery during the pandemic. The current 2017-2022 five year plan will need to be renewed, which will require consultation with relevant stakeholders and follows an established existing process with which to consider the future of leasing and development on Federal lands and waters and would serve as a more appropriate vehicle for making considered and well-informed public policy on an issue of such great importance to our Nation and economy.

Between the bountiful recreational and commercial fishery, the economic and social value of steady skilled employment in the energy industry, and the revenues directed to resilience, restoration and protection projects to make our working coast more resilient in the face of climate change and sea level rise – SCIA's member companies and community are uniquely positioned to best embody the tremendous quality of life benefits when balance is achieved between safe and responsible exploration and production of traditional energy resources in the Gulf of Mexico and environmental and coastal stewardship and protection.

Ensuring continued access to the oil and gas resources in the Gulf of Mexico and continued exploration and production by ensuring annual lease sales in existing acreage and pushing back against sweeping administrative orders to simply refuse to issue permits or hold lease sales is essential to protecting vital revenue streams upon which our coastal restoration and protection efforts rely.

Additionally, the jobs and economic impact that our vibrant energy service sector provide to state and local governments have never been more important when viewed as part of the recovery from the ongoing coronavirus pandemic. This unprecedented pandemic underscored the nation's need for petroleum-based products: healthcare facilities face a crisis of supply of surgical masks, nitrile gloves, isopropyl alcohol, and other key medical supplies which rely on domestic crude oil for security of supply. If producers cannot produce and market the base material, this crisis can only worsen, and we will be less prepared for future pandemics.

It is also important to note that our member companies stand ready to support a robust American offshore wind and renewables industry thanks to their generations of experience working in the challenging marine environment of the offshore oil and gas industry.

Revenues from the OCS, almost entirely generated through lease bids and oil production revenues in the Gulf of Mexico, are the primary Congressionally mandated source of funding for the Land and Water Conservation Fund (LWCF), which funds conservation of national parks, local trails, national recreation areas, wildlife refuges, and other popular environmental projects to the tune of over \$1 billion per year. No activity = no revenue.

It is vital we secure our existing coastal state energy programs in the Gulf of Mexico. We urge Congress to intervene on behalf of Americans dependent on this essential industry to direct the Department of the Interior to protect current and future energy development on available acreage in this established production basin.

Thank you for all that you do to advance the interests of the State of Louisiana, our Working Coast, and the safety and security of our Nation.

Sincerely,

Executive Director

South Central Industrial Association

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