Houma-Terrebonne
CHAMBER OF COMMERCE

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March 31, 2016

The Honorable Howard A. Shelanski
Administrator
Office of Information and Regulatory Affairs
Office of Management and Budget
Executive Office of the President
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, DC 20503

Re: **Department of the Interior, Bureau of Safety and Environmental Enforcement Oil and Gas and Sulphur Operations in the Outer Continental Shelf—Blowout Preventer Systems and Well Control ("Well Control Rule")**

**Docket ID BSEE-2015-0002; 15XE1700DX EEEE500000 EX1SF0000.DAQ000**

Dear Administrator Shelanski:

The Houma-Terrebonne Chamber of Commerce is dedicated to improving the quality of life by building a strong economy that can sustain a prosperous and vibrant community. While the Chamber advocates for safe and robust offshore oil and gas development in the Gulf of Mexico, we believe that full production of Gulf energy can be achieved in a safe and environmentally protective manner, while still providing both economic growth and enhanced energy security for America.

We are aware of the new Well Control Rule that has been proposed by the Bureau of Safety and Environmental Enforcement (BSEE) and are deeply concerned about the significant economic impacts it will have on our 750 members and their 26,000 employees, our local community, and our nation at large. We urge you to require the Department of Interior to address these economic impacts and save our region from the massive layoffs, local business closures, and a debilitating reduction in our local government revenue that the rule would cause, with further risk to worker safety and environmental protection.

As you know, oil-producing communities like Houma-Terrebonne are energy workhorses for this nation. Thousands of local residents go to work each day at local fabrication shops, shipyards, ports, and other oilfield support companies to fuel America, not to mention thousands more who go offshore to work in the drilling and production of oil and natural gas.

Our communities are already suffering from increased unemployment and economic hardship due to the impacts of low crude oil prices. As cited in a recent Wood Mackenzie macroeconomic study, the proposed Well Control Rule will exacerbate these impacts on our hard-working residents and local economy.

The Wood Mackenzie study found that, based on the assumption of $80 oil, comparable to the prices assumptions used by BSEE in developing the rule, the draft rule would:

- Decrease exploration drilling by up to 55 percent or 10 wells annually;
- Reduce Gulf of Mexico production by as much 35 percent by year 2030;
- Risk 105,000 to 180,000 jobs, including jobs beyond the energy sector, with 80 percent of those job losses right here in Louisiana and in Texas;
    - Job losses in Louisiana alone are estimated to be 32,000 by 2025.
- Reduce industry investment by up to $11 billion annually, which would greatly impact our local drilling contractors and service providers and their employees; and
- Reduce government tax revenues up to $5 billion annually through 2030.
    - Louisiana could be impacted by as much as $1.1 billion over a 15-year period.

The Houma-Terrebonne Chamber of Commerce recognizes that industry and the federal government have worked together since 2010 to make offshore operations the safest they have ever been, while at the same time preserving the economic engine that is Gulf energy production. Implementation of the Well Control Rule as it is currently written would reverse all of these improvements made in the past five years – increasing safety risks with a prescriptive one-size-fits-all approach and pushing oil and gas operators to shut down in the Gulf due to the substantial cost of compliance. We cannot afford to risk the safety of our workers, or more local jobs and our economy.

We urge you to direct the Department of Interior to re-evaluate the economic impacts and re-propose the rule with a public comment period before the Well Control Rule is finalized.

We thank you for helping resolve this critical issue for the people of Louisiana and our communities.

Sincerely,

Earl Eues, Jr.
Chairman of the Board