



NEWS RELEASE

FOR IMMEDIATE RELEASE

June 3, 2010

CONTACT: Debra Colbert,

301/332-0813, dacomm@aol.com

ADMINISTRATION'S MORATORIUM ON OFFSHORE DRILLING WILL CAUSE LONG-TERM ECONOMIC HARDSHIP FOR GULF COAST MARINERS, COMMUNITIES

Harahan, LA -- The Obama Administration's sweeping moratorium on offshore drilling is already causing irreparable economic harm for America's maritime industry, according to the Offshore Marine Service Association (OMSA), the national trade association for the U.S. flag vessels that work in the offshore energy sector. "We are already dealing with both an ecological and economic disaster. This kind of sudden and ill-conceived government policy can only make it worse," said OMSA Chairman Otto Candies, III. On May 27 the Administration ordered a halt to offshore drilling in water depths over 500 feet, canceling 33 drilling projects, an action that will have both immediate and long-term negative economic consequences for the businesses that are associated with drilling.

OMSA reports that oil companies have already started canceling contracts for vessels that carry supplies to drilling rigs, putting those vessels out of work and forcing vessel companies to plan imminent layoffs. Early estimates indicate that, in short order, more than 100 vessels may be tied up. The economic harm will very quickly spread through the offshore maritime industry, the shipyards that build offshore vessels and the hundreds of service companies that support the industry as drilling comes to a halt.

"A study of the offshore vessel sector earlier this year showed that our industry supports more than 100,000 families in this country," said Ken Wells, OMSA President. "The industry has struggled to climb out of a severe economic downturn. The moratorium threatens any hope of recovery and creates the potential for economic hardship that could last a decade or longer."

OMSA estimates that for every mariner who works on-board a vessel, there are nine other Americans working in shore-side jobs that support vessel operations. Beyond the vessel crew, the negative consequences of the moratorium could impact everyone from service technicians supporting everything from diesel engines to the air condition systems to the local grocer who supplies food for the boat's galley.

Gulf Coast state and local government revenues will also decrease due to lower income tax and sales tax collections. "The oil companies and drilling rigs will leave for projects in other parts of the world

OFFSHORE MARINE SERVICE ASSOCIATION

990 N. Corporate Drive, Suite 210 Harahan, LA 70123 Telephone (504) 734-7622 Fax (504) 734-7134

and the local communities will be left to pick up the pieces,” said Wells, pointing out that offshore vessels are a major part of the tax base in some coastal communities.

-30-