



March 23, 2022

The Honorable Joseph R. Biden, Jr.  
 President of the United States  
 The White House  
 1600 Pennsylvania Ave., NW  
 Washington, DC 20500

Dear Mr. President:

The ***Gulf Economic Survival Team (GEST)*** is a grassroots advocacy organization that promotes the significance of Gulf coast energy to the United States and local economies, small service companies, and middle-class Americans throughout our great nation. We represent the many service companies who support the offshore oil and natural gas industry, the regional and statewide business and industry associations as well as the local communities who depend on a robust offshore industry to support hundreds of thousands of high-wage jobs, revenues to fund vital community services as well as critical wetland restoration and levee protection projects that protect our environment and our people.

Given the recent geopolitical strife, post-pandemic economic recovery and exorbitant fuel costs, GEST urges the Administration and the Department of Interior to resume offshore oil and natural gas leasing in the Gulf of Mexico immediately and work collaboratively with the States, the communities, and the industry to develop science-based climate change solutions that will allow our energy workers to continue to produce American energy for many generations to come.

The U.S. led the world in oil and natural gas production with record highs in 2019, and unfortunately, from December 2019 through December 2021– the most recent federal data – U.S. crude output fell with a drop of nearly 13.5% in offshore Gulf of Mexico production; however, demand for oil climbed 9.8% from a year earlier. According to the Energy Information Administration Annual [Energy Outlook 2022](#), U.S. energy consumption will continue to grow through 2050 while petroleum and other liquids will remain the most-consumed category of fuels through 2050.

Inflation is at a 40-year high and the price of oil continues to rise due to global instability. American consumers are bearing the brunt and paying higher prices at the pump. According to the U.S. Energy Information Administration, the average retail price for regular-grade gasoline has steadily increased

more than \$1.33 per gallon over the past year – with a jump of 49.4 cents from February 28 to March 7, 2022.<sup>1</sup> Every penny increase in the price of a gallon of gasoline costs consumers \$1 billion – that’s \$133 billion since March 2021.<sup>2</sup> Americans can no longer afford to pay extra at the pump.

Furthermore, oil and gas production in the Gulf of Mexico is the only reliable source of funding for Louisiana’s coastal programs. The Gulf of Mexico Energy Security Act (GOMESA) allows Gulf states to share in offshore revenue generated from oil production. One source of revenue for GOMESA are the bonus bids from new lease sales in the Gulf of Mexico and over the past five years Louisiana has received approximately between \$160 million and \$407 million from bonus bids alone. For the State of Louisiana, this means cancelled lease sales in 2021 has immediately cost the state between \$20-\$40 million just in lost bonuses in 2021.

Louisiana depends on GOMESA revenues to fund a \$50 billion coastal restoration plan. Lost GOMESA revenues, including bonuses, results in reduced funding to Louisiana’s coastal restoration and hurricane protection projects which are also critical projects for climate resiliency.

GEST recognizes that climate change poses a significant threat due to the impacts of sea level rise on our coastal communities. The Gulf of Mexico is the safest and cleanest oil produced anywhere in the world. Halting domestic energy development in one of the lowest carbon intensive energy producing regions in the world will shift production and capital investment overseas and undermine decades of environmental progress.

Notably, while the Gulf holds vast potential for development of renewable resources like offshore wind production, it’s the infrastructure and workforce related to our historic and sustainable offshore oil and gas production that will make this potential a reality.

To avoid further economic impact, policy makers and your administration could help ensure accessible, affordable and reliable U.S. energy by taking swift action and doing the following:

- Provide certainty on oil and natural gas leasing by compelling the Department of Interior (DOI) to meet deadlines and honor its obligation to lease on federal lands and waters.
- Permit energy infrastructure and halt the Federal Energy Regulatory Commission’s increased regulatory barriers for approving natural gas pipelines.
- Execute the laws that mandate the DOI to complete a long-term offshore program to avoid unnecessary production and development disruption. No offshore lease sales can be held without the five-year program in place and the next program, which should be in place by July 1, is severely behind schedule, and will not be finalized by the time the current program expires.

Our members are proud to explore, develop, produce, support, and transport American energy.

If you have any questions or would like to discuss further, please contact Lori LeBlanc at [lori@gulfeconomicsurvival.org](mailto:lori@gulfeconomicsurvival.org).

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<sup>1</sup> U.S. Energy Information Administration, [https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM\\_EPMPR\\_PTE\\_NUS\\_DPG&f=W](https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPMPR_PTE_NUS_DPG&f=W)

<sup>2</sup> CNBC, <https://www.cnbc.com/2021/10/12/sharp-surge-in-energy-prices-threatens-economic-recovery-and-is-already-slowing-growth.html>

Sincerely,

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