



Offshore Marine Service Association



FOR IMMEDIATE RELEASE

February 20, 2018

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Louisiana Maritime and Shipbuilding Associations Release Study on Importance of Waterways to the State

LSU's Economics and Policy Research Group finds the tug, offshore service, and shipyards support 83,300 to 104,800 jobs and \$20.9 to \$26.2 billion in economic impact.

Baton Rouge, LA – The Offshore Marine Service Association (OMSA) and the Louisiana Association of Waterway Operators and Shipyards (LAWS) in conjunction with Senator Norby Chabert (R-Houma), Senator Ed Price (D-Gonzales), Senator Gary Smith (D-Norco), Representative Tanner Magee (R-Houma), Representative Gene Reynolds (D-Minden), and Representative Julie Stokes (R-Kenner) today announced the release of a study of the economic contributions made to Louisiana by the tug, offshore service, and shipyard industries.

The study, conducted by Dr. Stephen Barnes and Dr. Dek Terrell from LSU's Economics and Policy Research Group surveyed OMSA and LAWS members about their employee bases, expenditures, and capital investments. This survey asked for responses from both 2014 and 2016, the years immediately before and after oil prices fell.

The study found that OMSA and LAWS members are responsible for 83,300 to 104,800 Louisiana jobs and add \$20.9 to \$26.2 billion in economic impact to Louisiana's economy. This impact includes \$5.5 billion to \$6.9 billion in wages paid to Louisiana residents. The higher numbers listed above representing the industry at the height of the market and the lower numbers representing the industry after the crash in oil prices.

“This study makes clear what we along the river have long known, the waterway and shipyard industries are vitally important to Louisiana,” said **Senator Ed Price (D-Gonzales)**. “These businesses provide substantial economic benefit and employ tens of thousands of Louisianans.”

“The offshore, shipyard, and waterways industries are sometimes ‘out of sight, out of mind,’ we see the barges when we cross the Mississippi River or maybe see supply boats when fishing offshore, but until you really take time to understand these industries, as I have, it's hard to understand exactly how important these industries to all of Louisiana,” said **Representative Gene Reynolds (D-Minden)**. “This study helps give us the information we need to tell the story of these industries.”

One of the primary takeaways from the study is that the waterway and shipyard industries have experienced a marked downturn in recent years, due in large part to the prolonged downturn in worldwide oil prices. Specifically, the study found the drop in energy prices, which slowed down waterway and shipyard activity cost the state 21,500 jobs between 2014 to 2016.

“I grew up in the boat business; both offshore and brown water, as well as in the shipyards that service them. These companies are Louisiana born and bred and provide an enormous impact to the state. Even in the leanest of years, this industry accounts for more than five percent of all Louisiana jobs.” said **Senator Norby Chabert (R-Houma)**. “While these are Louisiana companies, they're also very mobile and are operating on very thin margins right now. We need to do all that we can to make sure they are still here when the energy markets bounce back.”

“Many of my constituents work on offshore supply vessels. These are good-paying, family-supporting jobs. This study details how hard this industry has been hit by the downturn in oil prices,” said **Representative Tanner Magee (R-Houma)**. “We as legislators need to look at those numbers and recognize that attempting to fill the State’s budgetary holes with contributions from this industry is counterproductive and will likely push these industries and jobs to other states.”

The study also detailed that the number of Louisianans working in the shipbuilding industry have declined in recent years while competing Gulf Coast states have added jobs in this industry.

“When Avondale Shipyards closed,” said **Representative Julie Stokes (R-Kenner)**,” Jefferson Parish lost 5,000 jobs. “It is incumbent upon us to protect the rest of the state, and the communities within it that rely upon the maritime industry, from similar economic distress. We must fully support this extraordinarily valuable industry.”

“The Mississippi River is the economic lifeblood of my district,” said **Senator Gary Smith (D-Norco)**. This study makes it clear that we need to do what we can to keep these industries here in Louisiana contributing to our economy, tax base, and employee rolls.”

“The offshore and inland marine industries along with the shipyards that build and maintain those vessels help Louisiana businesses across a wide array of industries take advantage of our state’s rich natural resources including the Mississippi River and rich oil and gas resources,” said **Dr. Stephen Barnes, Director of LSU’s Economics and Policy Research Group**. “Water transportation and support services are hidden from daily view for many Louisiana residents, but directly employ tens of thousands of workers and helped support more than 100,000 Louisiana jobs at the height of the industry in 2014, not to mention the jobs in agriculture, manufacturing and oil and gas that rely on these industries for supplies and to transport their goods to market.”

To read the study please visit: www.offshoremarine.org/MarineIndustryinLouisiana

Descriptions of OMSA, LAWS, and LSU’s Economics and Policy Research Group are found on next page.

About Offshore Marine Service Association (OMSA):

The Offshore Marine Service Association represents more than 170-member companies, including approximately 70 firms that own and operate marine service vessels. These sophisticated vessels, some 1,200 in number, connect America with its offshore energy resources, providing every pipe, wrench, computer, barrel of fuel, and gallon of drinking water to rigs and platforms, as well as transporting tens of thousands of workers to and from the facilities. This critical flow of supplies keeps the heart of America's energy industry pumping around the clock. OMSA is a national trade association that is based in Louisiana, where most OMSA members are located. For more information, please visit www.offshoremarine.org.

About Louisiana Association of Waterway Operators and Shipyards (LAWS):

The Louisiana Association of Waterway Operators represents the Inland Barge and Towing industry within the State of Louisiana. LAWS members safely bring thousands of barges of grain down the river, move the crude oil and chemicals amongst the refiners, transport millions of tons of cargo amongst ports, and reach out to the heartland of American industry through the Mississippi River System and the Gulf Intracoastal Canal. LAWS members are the connection between the interconnected parts of the maritime transportation industry. For more information about LAWS, please visit www.lawaterways.org.

About LSU's Economics and Policy Research Group:

The LSU Economics & Policy Research Group was recently formed out of the LSU Division of Economic Development to build on and expand our capacity to carry out high-quality applied economics research here at LSU. We are an applied economics research group based in the Department of Economics with full-time faculty and staff dedicated to externally funded research.

While economic development related research remains an important part of our work, our portfolio of applied economics research has grown to include topics in labor, health, and the environment. In all of our work, we use economic principles and state-of-the-art methods to inform public policy and business decisions. We provide in-depth analysis to address real-world problems at the intersection of economics and policy.

Our research sponsors include state and federal government as well as non-governmental organizations and industry associations. Our projects include economic impact studies, program evaluations, economic forecasting, and a broad range of economics research assessing the impact of potential policies. We have experience collecting and analyzing survey data, working with confidential or proprietary data maintained by research sponsors, as well as development of new hybrid methods that can supplement existing data sources with new primary data collected to answer specific questions.

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