



Written by [Bruce Walker](#) on June 21, 2010

Oil Drilling Ban Hits Gulf Coast Hard

The Gulf oil spill has caused serious economic problems. Fisherman and those in the tourist industry have been hard hit by the oil spill itself. Those who work on oil rigs have been hard hit by the politically correct and utterly irrational cessation of oil drilling in the Gulf of Mexico. Tens of thousands of workers are set to lose their jobs, this in a time of high unemployment and economic downturn.



As the Obama Administration ponders the virtue of another “stimulus package,” perhaps he ought to consider how many jobs are dependent upon offshore oil drilling. The \$100 millions extorted from British Petroleum under its “voluntary” contribution to compensate those economically injured from the oil spill can neither reverse nor solve the dilemma.

According to estimates from the Louisiana oil industry, each oil rig job supports four additional jobs in food service, supply-ship operators, and other industries servicing the oil rig industry. Together, the lost wages caused by the federal ban on oil drilling is estimated to be \$165 million a week — meaning that all the money squeezed out of British Petroleum would not even cover a single week of economic loss in the Gulf region.

Raymond & James Associates, a securities firm, predicts that if the ban on drilling continues into 2011, that 50,000 jobs will be jeopardized. The company spokesman compared the regional devastation to the loss of steel and automobile manufacturing jobs in the Rust Belt. Even more optimistic evaluations, like Lawrence Dickerson at Diamond Offshore Drilling, believed that 15,000 to 20,000 jobs were at risk. He also noted that these jobs may move overseas, where the drilling ban is not in effect. Even member of Obama’s own party, like Senator Mary Landrieu, said that even a temporary drilling ban could affect as many as 330,000 people in her State of Louisiana alone.

Companies that were set to begin drilling, like Cobalt International Energy, have invested huge amounts of money, but now appear likely to fold their operations. Dickerson of Diamond Offshore Drilling notes that drilling operations cannot stay in limbo for significant periods of time. “You know, if we can’t go back to work for a minimum of six months or longer,” Dickerson said, “it’s awfully hard to leave rigs sitting here.”

When jobs, according to a statement from the Obama Administration a few months ago, are the highest priority, it seems incredible that the administration’s knee-jerk reaction to oil drilling operations in the Gulf of Mexico could end up stripping even more hope from a region pummeled a few years ago by Katrina — and now facing more economic problems from the oil spill. But that is what is happening.



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Photo: Senate Small Business and Entrepreneurship Committee Chair Sen. Mary Landrieu (D-La.), left, shakes hands with Rear Adm. Ronald Rabago, Assistant Commandant for Acquisition and Chief Acquisition Officer at the U.S. Coast Guard, on June 17, 2010, before the start of a hearing on Gulf oil spill cleanup proposals: AP Images



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