

BOEM ENVIRONMENTAL STUDIES PROGRAM: ONGOING STUDIES

BOEM OCS Region: [Gulf of Mexico](#)

Title: Gulf Coast Communities and the Fabrication and Shipbuilding Industry: A Comparative Community Study (GM-06-03)

Planning Area: Gulfwide

Total Cost: \$723,065

Period of Performance: FY 2006 – 2012

Conducting Organization: University of Houston

BOEM Contact: [Dr. Harry Luton](#)

Description:

Background: This research follows on findings of the recently completed Benefits and Burdens study which underscored the importance of the fabrication and shipbuilding industry to the socioeconomic impact assessment of the OCS leasing program and of the recently completed Labor Migration study which showed this industry to be the largest employer of immigrant labor. The fabrication and shipbuilding enterprises in the Gulf of Mexico are unique. First, they were born as a local response to the development of offshore petroleum in the Gulf and still rely on this niche market. They are a specialized industry, one not well described, and the most significant sector in OCS-program-related employment. Also, like the offshore businesses that they serve, the Gulf's shipbuilding and fabrication businesses have evolved into an international industry, bucking a general decades-long trend in the U.S. of a steady decline of heavy industries in the face of globalization. Finally, because of this success, the Gulf shipbuilding and fabrication industries have remained the mainstay of several coastal communities, anchoring them, and supporting and shaping their economic, fiscal and social systems in dynamic and unique ways. For example, during the past decades, the role heavy industry has played in providing well-paid work to American's immigrants and financing their children's entry into the middleclass has declined. However, in the Gulf, the shipbuilding and fabrication industries have continued to play this the role for Vietnamese in Amelia, Louisiana, and Mexicans in Port Aransas, Texas, as examples.

While the shipbuilding and fabrication industries are responsible for the lion's share of the employment generated by the offshore oil and gas industry and, over decades, have served to anchor and grow many Gulf coast communities and shape their physical attributes, populations, and fiscal, social and economic systems, these industries and their dynamic interactions with their host communities are little described and less analyzed. While several BOEM studies touch on one aspect of their significance or another, in sum they do not provide a description, let alone an analysis, of this industry's significant socioeconomic effects.

Objectives: (1) This study will describe five GOMR OCS-involved communities that

rely heavily on the shipbuilding and fabrication industries. They will include: Ingleside/Corpus Christi, TX; Orange/Port Arthur, TX; Morgan City/Houma/South Lafourche, LA; Pascagoula, MS; and Lake Charles, LA. Each description will discuss its past growth and development, current organization, fiscal regime, and infrastructure, as well as current economic and social conditions, paying particular attention to links (e.g., influences, causal relationships) between community and this industry. The description will identify and analyze the benefits (e.g., job creation) and burdens (e.g., infrastructure demand) placed on communities. Each description will discuss the industry's current dynamics, their relationship to the OCS program, and their likely effects on the future.

(2) This study will pay particular attentions to: (a) the organizational-developmental functions these industries have assumed (as companies and employees) within the community (e.g., in city planning, schools, charities, etc.), and (b) the integrative function they have played through employment, particularly of recent immigrant groups.

Methods: Literature search and synthesis, analysis of available data, discussions with local experts and public officials.

Products: Study reports, literature review, and database.

Importance to BOEM: This study will support environmental assessments and decision-making by providing information and analysis of one of the largest and least described sectors of the offshore oil industry. The fabrication and shipbuilding industry provides the largest, and one of the more volatile sources of employment related to supporting offshore activities. This study will increase the BOEM's ability to analyze the program's local socioeconomic effects and will significantly increase the knowledge of program effects in coastal Texas, Louisiana, and Mississippi by assessing this industry's role of anchoring coastal communities and defining local groups. It will support BOEM's analyses of the effects and cumulative effects of the program.

Current Status: In 2008, the agreement was been modified to include Brownsville/Port Isabelle, TX. The draft report has been received and is undergoing BOEM review.

Final Report Due: January 2012

Publications: None

Affiliated WWW Sites: N/A

Revised date: January 2012

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