

Offshore Oil and Gas

Economic Contributions

In Fiscal Year 2016, offshore oil and natural gas production contributed:

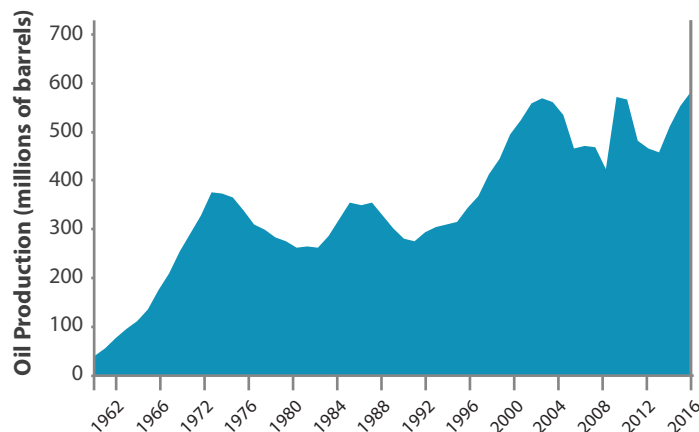
- **Approximately 315,000 U.S. jobs**
- **\$30 billion to the U.S. economy**
- **\$2.7 billion in leasing revenues to the U.S. Treasury**
- **\$11 million in revenue sharing programs to Gulf of Mexico states, Alaska, and California**
- **\$150 million in grant programs to the Land and Water Conservation Fund and the Historic Preservation Fund**

Production

In 2016, the Outer Continental Shelf (OCS) produced more than 592 million barrels of oil, equal to approximately 30 days of U.S. consumption. The OCS produced 1.2 trillion cubic feet of natural gas in 2016, equivalent to 15 days of U.S. demand. The OCS contributes 18% of U.S. oil production and 4% of U.S. natural gas production.

OCS oil production set a record high of 1.6 million barrels per day in 2016. Production is expected to increase through 2018, but additional offshore investment is required to continue this trend.

Oil Production Gulf of Mexico



Employment

BOEM estimates that in FY 2016, the OCS oil and gas industry supported **315,000 jobs**. BOEM estimates that 70% of these jobs are located in the Gulf Coast states whereas the remainder are spread throughout the U.S. Through the creation of additional income and employment, the spending of these employees generates multiplier effects throughout the local economy. BOEM estimates that the offshore oil and gas industry contributed over **\$30 billion** to the U.S. economy, which is measured as gross domestic product or GDP, in 2016.

Oil and gas employment includes several categories of industry jobs including engineers, pipefitters, welders and electricians. Many of the industry jobs earn a significant wage premium which gives employees more purchasing power to consume more goods and services. In fact, on average, oil and gas extraction jobs earn more than 150 percent of the average hourly wage of other employees.

Offshore oil and gas development requires an extensive network of onshore support facilities and services that also generate employment opportunities. Port facilities, fabrication facilities, oil and gas processing facilities, pipelines, and waste management facilities all provide support to offshore oil and gas projects. Further, transportation, lodging, restaurants, catering and other hospitality service industries provide support to offshore workers.

Energy Security

In 2016, the U.S. produced approximately 8.85 million barrels of crude oil per day, with 1.6 million barrels per day coming from the OCS.

The U.S. was the world's largest net exporter of refined petroleum products in 2016. The U.S. Energy Information Administration projects the U.S. will become a net energy exporter by 2026 and a natural gas net exporter in 2018. Additional U.S. production reduces net imports, improving the balance of payments and increasing energy security.

Public Revenues

The Federal government collects up-front bonus payments from lease sales, annual rental payments, and a royalty on the value of production. In FY 2016, these revenues provided **\$2.7 billion** to the U.S. Treasury—roughly the average tax payment of 275,000 American families combined.

In addition, the offshore oil and gas industry generates federal, state, and local income and property taxes. This tax revenue is not limited to coastal states as supporting industries are located throughout the nation providing far-reaching public revenue benefits.

Grant Programs

OCS revenues fund the Land and Water Conservation Fund (LWCF) and the Historic Preservation Fund which safeguard natural areas, water resources, and cultural heritage in all 50 states, the Territories, and the District of Columbia. In FY 2016, more than **\$150 million** of the government's leasing revenues helped fund a range of projects such as new athletic fields, preservation of historical spaces, and new trails.

Revenue Sharing

In 2016, more than **\$11 million** were shared with states through revenue sharing programs. Revenue sharing programs have to be authorized by Congress. Currently, two revenue sharing programs exist with Alabama, Alaska, California, Louisiana, Mississippi, and Texas.

Revenue sharing through the Gulf of Mexico Energy Security Act (GOMESA) will increase substantially in 2017 and will lead to larger revenue sharing for the Gulf Coast states.

Revenue Sharing and OCS Funded Programs

