

BOEM ENVIRONMENTAL STUDIES PROGRAM: ONGOING STUDIES

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

Title: Improving Capacity for Institutional Analysis of the Oil and Gas Industry for the Gulf of Mexico Region (GM-09-01-05)

Planning Area: Gulfwide

Total Cost: \$809,106

Period of Performance: FY 2009-2012

Conducting Organization: [Coastal Marine Institute](#), Louisiana State University

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

Description:

Background: The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEM) Gulf of Mexico Region (GOMR) is refining its approach to the assessment of the onshore social and economic consequences of offshore petroleum activities in Federal waters, from the identification of oil-related offshore activity to the evaluation of its onshore social and economic consequences. This reevaluation brings in-house efforts together with several ongoing studies to address issues concerning: (1) the identification of sale-related activity, (2) the allocation of onshore effects, (3) the delineation of onshore impact areas, and (4) the assessment of effects within these areas.

BOEM has made (and is making) considerable investments in addressing the first two issues through past and ongoing research on industry sectors, offshore-related infrastructure, and input-output modeling techniques for estimating offshore, sale-related activity and allocating their effects onshore. BOEM is also focusing considerable resources on the latter two issues. With regard to the last issue, BOEM is refining its modeling of regional employment and economic effects onshore. It is also exploring supplementary approaches that might extend the Gulf Region's existing capacity by addressing other linkages between the OCS industrial complex and socioeconomic conditions in the regions that support the complex.

Objectives: This project represents the first step in a broader research agenda aimed at assessing the potential linkages between community institutions and the oil and gas industry in the GOMR. The overall objectives of this Phase I project are:

1. develop a detailed description of oil and gas related employment for counties/parishes and larger geographic aggregations (e.g. commuting zones) in

- the GOMR;
2. assess potential linkages between oil and gas employment and two key intermediate mechanisms of socioeconomic change for GOMR communities: population change and the fiscal health of local governments; and
 3. explore potential linkages between oil and gas related employment and the longer term institutional impacts on education and place-based well-being.

Methods: The project is comprised of four interrelated components, each led by a specific investigator in collaboration with the investigators and BOEM staff. The first component will provide a shift-share analysis examining the relationship between OCS oil and gas employment and population change to describe current conditions and estimate future changes as the petroleum industry evolves. The second component will utilize a novel new secondary dataset to provide a descriptive spatial analysis of OCS oil and gas employment in the GOMR and begin an exploratory analysis of linkages to measures of local community well-being in the region. The third component will employ a fuzzy-set analysis to aid further conceptualization of the role that OCS oil and gas activity plays in GOMR communities and explores how such characterizations may be linked to local community conditions. The fourth component will provide a descriptive financial ratio analysis to explore the fiscal status of local governments in the GOMR, and an exploratory analysis of how fiscal conditions vary with changes in OCS oil and gas industry activity. The components in aggregate represent an initial exploratory analysis of the linkages between the OCS industrial complex and socioeconomic conditions in the regions that support the complex.

Products: Quarterly reports, technical meetings, draft reports for each study component, final technical report and associated data bases.

Importance to BOEM: BOEM is responsible for the assessment of the environmental impacts of the OCS leasing program. The assessment of its socioeconomic effects faces particular problems in the GOMR because they occur onshore distant from offshore activities, because assessments are done prior to any industry development plans, and because the Gulf already hosts a large, active OCS-related industry. Given these difficulties, BOEM continually seeks to improve its socioeconomic assessments. This study provides considerable support to these efforts; it addresses stakeholder concerns (e.g., the State of Louisiana) about the accuracy and inclusiveness of these assessments; and, it supports parallel BOEM in-house and research efforts to improve other aspects of its assessment approach.

Current Status: The study has been extended an additional twelve months to allow for more comprehensive research covering all five GOM states. BOEM has attended working meetings as part of this effort.

Final Report Due: September 2012

Publications: none

Affiliated WWW Sites: none

Revised date: January, 2012

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