



Untapped Potential

The Benefits of U.S. Offshore Oil and Natural Gas Development in the Eastern Gulf

Opening the U.S. Eastern Gulf Outer Continental Shelf (OCS) to offshore oil and natural gas exploration and production could have significant benefits for job creation, U.S. energy security, domestic investment, and revenue to the government.

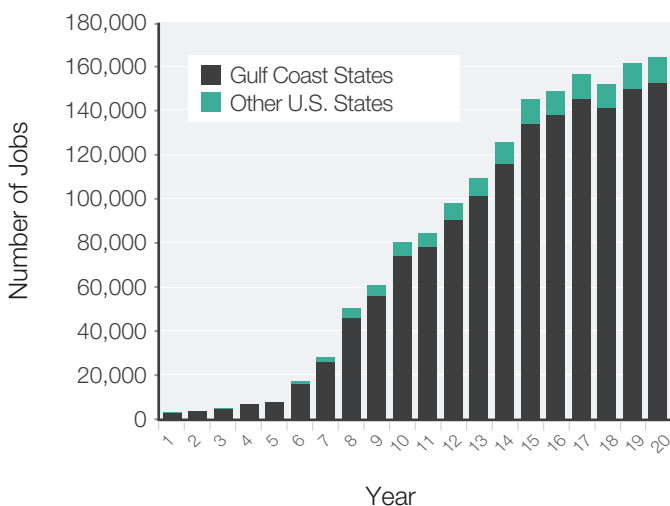
Oil and natural gas development in the E. Gulf OCS within 20 years after initial leasing could:

- Create nearly **165,000 jobs** in the U.S.; **152,000** on the Gulf Coast.
- Result in an additional **\$11.5 billion** per year in private investment.
- Contribute up to **\$14 billion** per year to the U.S. economy.
- Add **1 million barrels** of oil equivalent per day to domestic energy production.
- Generate **\$4.9 billion** in new revenue for the government.

If the first lease sales in the Eastern Gulf OCS were held in 2020, exploratory drilling could begin the following year with the first production of oil and natural gas in 2025. **Major capital investments, job creation, and revenue to the government could all begin years before the first barrel goes to market.**

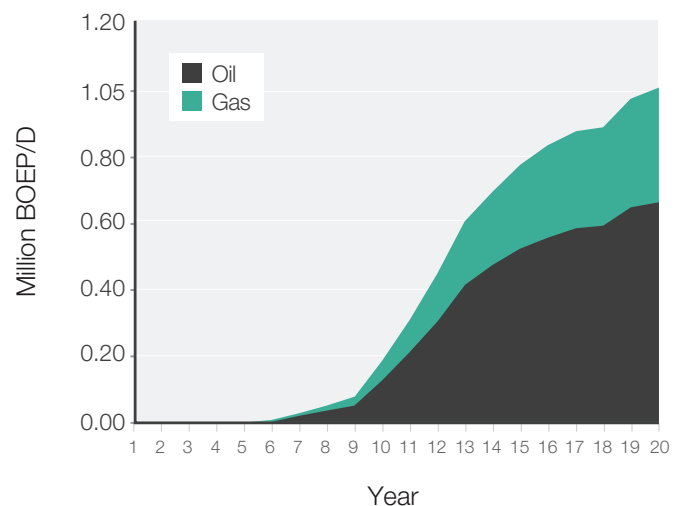
Job Creation

Eastern Gulf OCS oil and natural gas development could lead to significant employment gains, both along the Eastern Gulf and nationally. Total U.S. employment could reach nearly 165,000 jobs within 20 years, of which 152,000 is projected to be in the Gulf coast region. States outside the region could see a gain of nearly 12,000 jobs. The largest employment impact is projected to occur in Florida, Texas, and Louisiana.



Energy Production

Eastern Gulf OCS development could significantly increase domestic energy production. From just over 45,000 barrels of oil equivalent per day (BOEP/D) by the third year of production, production is projected to reach 1 million BOEP/D by the end of the forecast period. Production is projected to be approximately 66 percent oil and 34 percent natural gas.



Investment

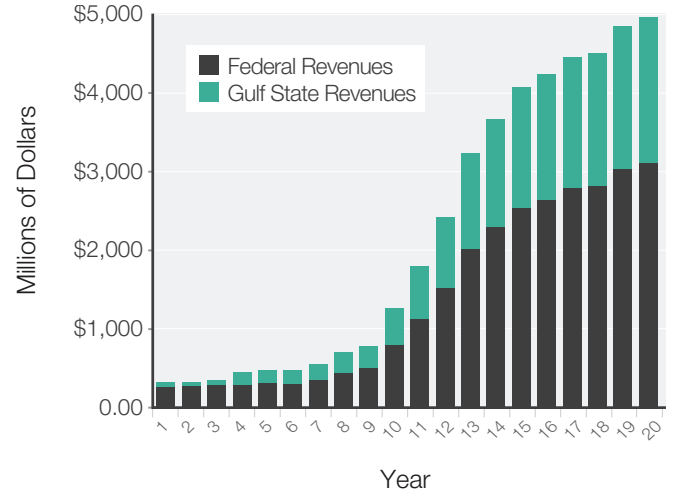
Spending by companies involved in finding, developing, and producing oil and natural gas in the Eastern Gulf OCS could rise from an average of **\$315 million** per year during the first five years of initial leasing, seismic surveys, and exploratory drilling to over **\$11.5 billion** per year 20 years after leasing begins. Over 90 percent of domestic spending from Eastern Gulf oil and natural gas developments is projected to take place in the Gulf Coast states.

Contribution to the Economy

Spending by the oil and natural gas industry and the impact of the increase in government revenues could significantly increase U.S. GDP. Total contributions to the economy are projected to reach over **\$117 billion** by the end of the forecast period, with roughly 80 percent of the total impact projected to occur in Gulf coast states.

Government Revenue

Eastern Gulf OCS oil and natural gas development could significantly increase government revenue from royalties, bonus bids, and rents on leases – reaching a cumulative **\$41.5 billion** throughout the forecast period. Assuming revenue sharing legislation similar to the current arrangement in the Gulf of Mexico is enacted, coastal states could receive 37.5% of the revenue generated which is equal to **\$16 billion**.



Employment Impacts by State

The chart below shows the projected employment increase for Eastern Gulf coast states and other U.S. states.

State	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Texas	1,168	1,518	2,057	2,308	2,734	7,575	13,149	23,779	27,776	34,892	33,920	37,397	39,927	46,218	53,069	51,706	51,793	47,068	49,388	49,840
Louisiana	742	898	1,184	1,386	1,477	2,660	3,718	6,208	7,502	10,200	11,009	13,146	15,050	16,889	18,971	19,917	21,440	21,754	23,343	23,824
Mississippi	100	131	173	367	420	834	1,313	2,267	2,776	3,656	4,207	4,790	5,440	6,156	6,974	7,279	7,722	7,617	8,220	8,415
Alabama	255	318	419	827	901	1,478	2,273	3,894	4,956	6,513	6,967	8,240	9,252	10,419	12,091	13,037	13,689	13,123	14,105	14,418
Florida	851	965	1,140	2,061	2,266	3,650	5,682	10,097	12,804	18,832	22,033	27,165	31,620	36,377	43,013	46,163	50,801	51,670	54,865	56,044
Gulf Coast	3,117	3,829	4,974	6,950	7,799	16,196	26,135	46,246	55,814	74,094	78,137	90,738	101,288	116,060	134,119	138,102	145,445	141,232	149,921	152,540
Other U.S. States	203	257	350	382	454	1,500	2,522	4,485	5,147	6,467	6,476	7,457	8,347	9,848	11,153	10,996	11,335	11,084	11,778	11,908
Total	3,320	4,086	5,324	7,332	8,253	17,696	28,657	50,731	60,961	80,561	84,613	98,195	109,635	125,908	145,272	149,099	156,780	152,317	161,699	164,448