

**STUDY TITLE:** Assessment of Historical, Social, and Economic Impacts of OCS Development on Gulf Coast Communities

**REPORT TITLE:** Assessment of Historical, Social, and Economic Impacts of OCS Development on Gulf Coast Communities, Volume I: Executive Summary and Volume II: Narrative Report

CONTRACT NUMBER: 1435-01-96-CT-30808

SPONSORING OCS REGION: Gulf of Mexico

APPLICABLE PLANNING AREAS: Western, Central, and Eastern

FISCAL YEARS OF PROJECT FUNDING: 1996, 1997, and 1999

COMPLETION DATE OF REPORT: June 2001

COST(S): FY 1996; \$484,872; FY 1997; \$40,971; FY 1999; \$30,956, CUMULATIVE PROJECT COST; \$556,799

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KEY WORDS: Louisiana; Texas; Alabama; socioeconomic; economic and social change; landscapes; work and education; time series analysis; rapid assessment; history

**BACKGROUND:** This is the second part of a two-phased project to provide a time-series baseline of the social and economic consequences of OCS development on Gulf Coast communities. Phase I of the study entitled, *Socioeconomic Baseline Study of the Gulf of Mexico Region*, was prepared by the Coastal Marine Institute (CMI) at Louisiana State University. It is a database of various census and related data sets of more than 3,000 variables from 1930 to 1990 for the more than 500 counties in Alabama, Florida, Louisiana, Mississippi, and Texas. The current project, or Phase II of the baseline study, examines historical, social, and economic impacts of OCS development on GOM selected coastal communities.

**OBJECTIVES:** The objective of this study was to enhance the understanding and document the relationship between Outer Continental Shelf (OCS) development and the economies, communities and households of the GOM region since 1930.

**DESCRIPTION:** The study focused on three areas: South Louisiana, Coastal Bend, Texas, and Mobile Bay, Alabama. The study areas included five counties or parishes and six communities within the counties or parishes.

South Louisiana	Coastal Bend, Texas	Mobile Bay, Alabama
Lafourche Parish -- Galliano Terrebonne Parish -- Schriever	San Patricio County -- Ingleside -- Mathis	Baldwin County -- Gulf Shores Mobile County -- Theodore

**SIGNIFICANT CONCLUSIONS:** While there are similarities across political boundaries in the GOM region, there is no one story. The impacts of OCS oil and gas activities have varied among the study areas. Direct impacts have been felt most keenly in the South Louisiana study area, particularly south Lafourche Parish, an area with strong ties to marine resources -- both fish and oil. Direct impacts are evident to a lesser extent in San Patricio County. Baldwin and Mobile counties are relative newcomers to coastal counties adjacent to oil and gas activities. Impacts in these two counties are less evident than in the other study areas. Oil and gas impacts were found to differ within the study areas as well as among them. OCS-related activities and regulations were not the driver for all that occurred. Federal, non-MMS, policies have driven much of the change in the study areas. The similarities across the study areas often relate to the national, and non-MMS related, policies.

**STUDY RESULTS:** OCS oil and gas activities have been important to the social and economic characteristics of the Gulf of Mexico study areas. The level of importance has varied over time and with respect to each of the five study counties or parishes. Four patterns were identified for Lafourche and Terrebonne parishes, and San Patricio County: (1) 1969 to 1974 - substantial expansion in economic activity; (2) 1974 to 1981 - sustained economic growth, with economic activity being even higher than it was between 1969 and 1974; (3) 1981 to 1987 - large contraction or downturn in economic activity frequently referred to as the bust years; and (4) for all study areas 1987 to 1995 - recovery from the bust period and modest economic growth. The first three patterns do not hold for Mobile and Baldwin counties that had sustained growth.

The review of the historical, social, and economic landscapes of Gulf Coast communities also showed OCS oil and gas activities to have had variable impacts along the coast. Direct impacts have been felt most directly in the Louisiana core. Despite its history and rhetoric of separatism, the Gulf Coast, like the South, is tied to the Federal government by multi stranded cords. The Department of Agriculture mediates the agricultural landscape; Defense creates the military landscape; Federal Emergency Management Agency subsidizes life on the beach; the National Marine Fisheries Service attempts to regulate the maritime landscape; the Army Corps of Engineers maintains Mobile Bay and its industry. Some of these federal interventions are more

welcome locally than others; all of them, and a host of others, have shaped the landscape of the Gulf. Global forces also influence the landscapes of the Gulf Coast.

OCS activity impacted education and work in the period of rapid and extensive industrialization that followed World War II, and that industrialization had a dramatic influence on education. Differences in the educational and occupational trajectories of the six study communities were found to stem from: (1) economic diversification to buffer cycles in the dominant industries; (2) proximity to urban and industrial areas to which residents can commute to work; (3) the ease of the transition from prewar economic activities, such as fishing, to industrial activity, such as servicing offshore oil and gas rigs; (4) the diversity of skills and opportunities of individual residents; (5) racial and ethnic makeup; and (6) community cohesion which dictated who would and could leave and who would or could not. Despite the differences, in all study communities, as the level of skill needed in the workforce has increased, particularly due to technological changes, the demands placed on educational institutions have also grown.

**STUDY PRODUCTS:** Wallace, B. J. Kirkley, T. McGuire, D. Austin, and D. Goldfield. 2001. Assessment of the historical, social, and economic impacts of OCS development on Gulf Coast communities; Volume I: Executive Summary. Prepared by TechLaw, Inc. OCS Study MMS 2001-026. U.S. Dept. of the Interior, Minerals Mgmt. Service, Gulf of Mexico OCS Region Office, New Orleans, LA. 18 pp.

Wallace, B. J. Kirkley, T. McGuire, D. Austin, and D. Goldfield. 2001. Assessment of the historical, social, and economic impacts of OCS development on Gulf Coast communities; Volume II: Narrative Report. Prepared by TechLaw, Inc. OCS Study MMS 2001-027. U.S. Dept. of the Interior, Minerals Mgmt. Service, Gulf of Mexico OCS Region Office, New Orleans, LA. 546 pp.

Assessment of the historical, social, and economic impacts of OCS development on Gulf Coast communities: electronic bibliography.

Assessment of the historical, social, and economic impacts of OCS development on Gulf Coast communities: data sets.

\*P.I.'s affiliation may be different than that listed for Project Manager.