# THE ECONOMIC IMPACT OF THE SHIPBUILDERS AND VESSEL OPERATORS SERVICING THE OFFSHORE EXPLORATION, DEVELOPMENT, AND PRODUCTION INDUSTRY ON THE U.S. ECONOMY

**PREPARED BY**

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## EXECUTIVE SUMMARY

A number of studies have looked at the importance of offshore energy to the country. A study made by our firm for Port Fourchon, Louisiana indicated that a shut down of the offshore port for just three weeks would equate to a national economic impact of $9.9 billion in sales loss, $2.9 billion in household earnings loss, and over 77,000 jobs loss nationally. A June 2006 study by Global Insight and commissioned by the American Petroleum Institute entitled "The Economic Impact of Changing the Deep Water Royalty Relieve Act." indicated that a loss of deepwater production of oil and gas would cost the country 691,000 jobs. Because all of this activity requires vessels to carry cargo and workers and to perform offshore operations, it might be said that those vessels make that economic driver possible. As the Offshore Marine Service Association (OMSA) has pointed out, offshore vessels are "America's lifeline to offshore energy."

Despite the fact that many studies have looked at the overall impact of offshore energy---and since American vessels play a vital role in exploring, developing and producing that energy---there has not been a *specific study* that focused on the economic activity produced by the vessels themselves and the shipyards that build them. That was OMSA's purpose in contracting with Loren C. Scott and Associates to conduct such a study at this time.

Specifically, we estimate four separate impacts generated by offshore vessel operators and the U.S shipbuilders that construct vessels for that market: (1) *new sales* for firms in the U.S., (2) *new household earnings* for residents in the U.S., (3) *new jobs* in the U.S. and (4) federal, state and local tax collections in the U.S. Our findings can be summarized as follows:

- Annually, the economic activity of U.S. shipbuilders and offshore vessel operations servicing the offshore exploration, development and production industry generates substantial benefits to U.S. businesses and workers.

    - U.S. businesses experience about **$18.1 billion in new sales** annually as a result of economic activities within this segment of the U.S. shipbuilding and offshore vessel operations.

    - New business sales spawned by these specific U.S. shipbuilders and vessel operations help to generate about **$4.6 billion in new household earnings** annually for U.S. workers.

    - Approximately **103,160 jobs** are supported by the economic activities of these U.S. shipbuilders and offshore vessel operators. This includes direct employment within these two industries of at least 29,000 workers. These estimates suggest a **job multiplier of about 3.6**---that is, for every one job created in these two sectors 2.6 other jobs are created elsewhere in the nation's economy.

- These new jobs appear to be well-paid, with average annual earnings of approximately $43,992.

- Chief beneficiaries of the spillover effects generated by U.S. shipbuilders and offshore vessel operators servicing the offshore exploration, development and production industry appear to be businesses and workers in the manufacturing and transportation sectors of the nation's economy. For example:

  - About 52.4 percent ($9.5 billion) of new annual business sales spawned by these U.S. shipbuilders and offshore vessel operators occurs within the manufacturing and transportation sectors.

  - About 42.9 percent ($1.9 billion) of new household earnings generated by the multiplier effects benefits workers within these two sectors of the nation's economy.

  - Approximately 31.3 percent of the new jobs attributable to U.S. shipbuilding and offshore vessel operations can be found within the manufacturing and transportation sectors---13,679 and 18,587 jobs respectively.

- Annually the economic activity of U.S. shipbuilders and offshore vessel operations servicing the offshore exploration, development and production industry generates the following federal and state/local tax revenues:

  - We estimate that **the federal government collected nearly $1.4 billion annually in taxes** directly and indirectly in 2008 due to the operations of these two industries. Of this total, $385.3 is in direct taxes paid and just over $1 billion is in indirect taxes generated via the multiplier effect.

  - We estimate that **state and local governments received about $770.8 million annually in taxes** in 2008. Of this total, $78.9 was in direct taxes paid and nearly $700 million was in indirect taxes generated via the multiplier effect.

## TABLE OF CONTENTS

Page

# THE ECONOMIC IMPACT OF THE SHIPBUILDERS AND VESSEL OPERATORS SERVICING THE OFFSHORE EXPLORATION, DEVELOPMENT, AND PRODUCTION INDUSTRY ON THE U.S. ECONOMY

## I. Introduction

A number of studies have looked at the importance of offshore energy to the country. A study made by our firm for Port Fourchon, Louisiana indicated that a shut down of the offshore port for just three weeks would equate to a national economic impact of $9.9 billion in sales loss, $2.9 billion in household earnings loss, and over 77,000 jobs loss nationally. A June 2006 study by Global Insight and commissioned by the American Petroleum Institute entitled "The Economic Impact of Changing the Deep Water Royalty Relieve Act." indicated that a loss of deepwater production of oil and gas would cost the country 691,000 jobs. Because all of this activity requires vessels to carry cargo and workers and to perform offshore operations, it might be said that those vessels make that economic driver possible. As the Offshore Marine Service Association (OMSA) has pointed out, offshore vessels are "America's lifeline to offshore energy."

Despite the fact that many studies have looked at the overall impact of offshore energy---and since American vessels play a vital role in exploring, developing and producing that energy---there has not been a *specific study* that focused on the economic activity produced by the vessels themselves and the shipyards that build them. That was OMSA's purpose in contracting with Loren C. Scott and Associates to conduct such a study at this time.

## II. Methodology

It is a well established principle that business investment decisions have both direct and indirect (secondary) impacts on the economy. The direct impact of a particular firm or establishment on income and employment can be measured by its revenue and payroll. However, these impacts would significantly understate the role of the firm in the economy. The reason is that the firm also buys from, and sells to, many other firms in the economy. The interactions caused by these purchases and expenditures are magnified by the spending of employees who earn income from the firm and the affected businesses.

### The Multiplier Effect

Thus, any change in the activity of a particular firm **indirectly** affects these buyers and sellers, which in turn affects firms that buy from and sell to theses buyers and sellers, etc. For example, when a decision is made by a firm that creates a new job, a chain-reaction is started which works its way throughout the economy. This chain-reaction (multiplier effect) causes even more jobs to be created. The analogy is of a rock being tossed into a pond. Not only is there an initial splash, but ripples are created that spread throughout the pond.

### The Input-Output Table

A major difficulty lies in attempting to quantify these indirect impacts. Fortunately, a technique has been developed for precisely this purpose---an **input-output (I/O) table**. An I/O table is a matrix of numbers that describes the interactions between all industries in a geographical area (in this case, the continental U.S.). The I/O table provides a complete picture of the flows of products and services in the economy for a given year, illustrating the relationship between producers and consumers and the interdependencies of industries in the state. An I/O table for the continental U.S. has been constructed by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. The BEA is the governmental agency responsible for measuring the nation's gross domestic product each quarter. This I/O table can be used to estimate three separate impacts generated by the shipbuilders and vessel operators: (1) *new sales* for firms in the U.S., (2) *new household earnings* for residents in the U.S., and (3) *new jobs* in the U.S.

**Data Collection**

In order to estimate the impacts of these two industries on the U.S. economy, data had to be gathered from the shipbuilders and vessel operators servicing the offshore energy industry to be injected into the I/O table. Separate questionnaires were designed to be sent to shipbuilders and vessel operators. These questionnaires are attached in Appendices A and B. Before being sent out to the firms, the questionnaires were field tested with a firm from each group to make sure the questions were clear and that there were no important sets of data we were missing. The questionnaires were sent out from the OMSA offices but were to be sent only to LCS, Inc. Answers were to be seen only by analysts within LCS, Inc., and strict confidentiality for the responses was imposed. Data in this report are only shown in the aggregate. No individual firm data are disclosed. Note that the data collected were only on activities by these shipbuilders and operators involving the offshore exploration, development and production industry.

**Questionnaire Response Rate**

The questionnaires were sent out to all OMSA members that were either shipbuilders or vessel operators. When soliciting information on sensitive financial data such as annual revenues, employment, payrolls, taxes paid, etc., it is unrealistic to expect a 100 percent response rate. Often researchers expect a response rate in the 10 percent range and then blow up the results from those responses to what the population of shipbuilders and operators as a whole would be like. Fortunately, our response rate was much better than 10 percent. Based on total tonnage of vessels built to service the offshore exploration industry in 2008, we estimate that our shipbuilding respondents represented 72 percent of total tonnage built in that year. Based on the dues structure of the OMSA (which is based on size of the firm), we estimate that questionnaires received from vessel operators represented 57 percent of the total vessel operators that service the offshore exploration industry. Based on these unusually large samples, we feel very comfortable in extrapolating the replies of the respondents in the sample to an estimate of what the total population of shipbuilders and vessel operators servicing this sector did in 2008.

## III. Impact of Shipbuilders and Vessel Operators on U.S. Economy

Based upon our sample of vessel operators and shipbuilders, **total annual revenues in both sectors in 2008 amounted to at least $6.1 billion**; $4.6 billion for operators and $1.5 billion for shipbuilders, respectively. These revenues were inserted into the national I/O matrix to determine the impact of these revenues on business sales, household earnings, and employment in the U.S. Table 1 presents our estimates.

**Table 1**
**Impact on the National Economy from the Operations of Vessel Operators Servicing the Offshore Exploration, Development & Production Industry and Related U.S. Shipbuilders**

| Period | New Sales (millions) | New Earnings (millions) | New Jobs |
|---|---|---|---|
| 2008 | $18,086.1 | $4,538.2 | 103,160 |

Source: Author's calculations derived from US Bureau of Economic Analysis, Input-Output tables

### Impact on Business Sales in U.S Economy

Based upon the survey responses, U.S. shipbuilders and vessel operators servicing the offshore energy industry earned approximately $6.1 billion in revenues in 2008. Using the I/O tables we estimate that the annual revenues earned by U.S. vessel operators and shipbuilders servicing the offshore energy industry in 2008 generated almost **$18.1 billion in additional business sales in the nation's economy**. By any measure, this represents a rather impressive boost to businesses in the U.S. economy.

### Impact on Household Earnings in U.S. Economy

The new business sales shown in column two obviously lead to new earnings for U.S. residents as a result of the multiplier effects. These earnings estimates are shown in column three of Table 1. Based on our estimates of new business sales nationally, **the operations impact of U.S. vessel operators and shipbuilders servicing the offshore energy industry generates about $4.6 billion in household earnings for residents in**

**the United States**. This includes the direct earnings paid by U.S. shipbuilders and vessel operators and the indirect household earnings generated through the multiplier effects.

**Impact on Jobs in U.S. Economy**

Using the national I/O tables, we can also generate the impact that U.S. vessel operators and shipbuilders servicing the offshore energy industry have on jobs in the national economy. Based on these tables, **the economic activity of these U.S. vessel operators and shipbuilders spawned about 103,160 permanent jobs in the nation's economy**. This includes both direct employment in these two industries as well as the indirect employment generated through the multiplier effects.

These are very large numbers and reflect a rather substantial impact on the economy. Based upon the survey responses, there are at least 29,000 workers employed in these two industries. Thus, this suggests **a job multiplier of about 3.6**---that is, for every one job created in these two industries another 2.6 jobs are created elsewhere in the nation's economy. These jobs also appear to be well-paid, with average annual earnings of about $43,992 ($4.583.2 million divided by 103,160).

**Distribution of Impacts by Industry within the U.S.**

To illustrate how these impacts are spread through the national economy we generated the multiplier effects for the 19 industry sectors included in the national I/O tables. Separate impacts generated by U.S. shipbuilders and offshore vessel operators servicing the offshore energy industry on various sectors of the nation's economy are presented below. We report the impacts on business sales, household earnings and permanent employment for each of the 19 sectors.

**Impacts on New Business Sales.** The sales impacts on various industries that are spawned by the economic activities of U.S. shipbuilders and offshore vessel operations servicing the offshore energy industry are reported in Table 2. As might be expected, the largest impacts from U.S. shipbuilding and vessel operators occur in the manufacturing and transportation industries---which are the sectors where the shipbuilders and vessel operators are located. About 52.4 percent of new annual business sales spawned by U.S. shipbuilding and vessel operations occur within the manufacturing and transportation sectors of the nation's economy. Substantial sales impacts are also present in the finance and insurance sector, with about $1.28 billion in annual sales, followed closely by the real estate and rental and leasing industry---$1.25 billion.

**Table 2**
**Impact on the National Economy of**
**U.S. Shipbuilders and Vessel Operators Servicing**
**The Offshore Exploration, Development & Production Industry**

| Industry Sector | Business Sales (millions) |
|---|---|
| Agriculture, forestry, fisheries | $121.0 |
| Mining | $194.4 |
| Utilities | $212.7 |
| Construction | $69.0 |
| Manufacturing | $3,894.8 |
| Wholesale trade | $601.7 |
| Retail trade | $596.2 |
| Transportation and warehousing | $5,576.4 |
| Information | $689.9 |
| Finance and insurance | $1,284.7 |
| Real estate and rental and leasing | $1,253.5 |
| Professional, scientific, and technical services | $950.8 |
| Management of companies and enterprises | $352.1 |
| Administrative and waste management services | $539.3 |
| Educational services | $141.2 |
| Health care and social assistance | $702.8 |
| Arts, entertainment, and recreation | $98.0 |
| Accommodation and food services | $343.8 |
| Other services | $464.0 |
| **Total** | **$18,086.1** |

Source: Author's calculations derived from US Bureau of Economic Analysis, Input-Output tables

**Impacts on Household Earnings.** As explained earlier, these new sales also generated new household earnings for workers in the U.S (Table 3). Again, as expected, workers within the nation's manufacturing and transportation sectors (where the shipbuilders and vessel operators are located) experience the largest bumps---over a $1.9

billion annual boost in their household earnings. This is roughly 42.9 percent of the total household earnings impacts generated by U.S. shipbuilders and vessel operators servicing the offshore energy industry. Note in this table that there are 10 other sectors in the U.S. economy where workers gained over $100 million a year in earnings due to the activities of shipbuilders and vessel operators serving the offshore energy industry.

**Table 3**
**Impact on the National Economy of**
**U.S. Shipbuilders and Vessel Operators Servicing**
**The Offshore Exploration, Development & Production Industry**

| **Industry Sector** | **Household Earnings (millions)** |
|---|---|
| Agriculture, forestry, fisheries | $21.6 |
| Mining | $46.5 |
| Utilities | $30.2 |
| Construction | $26.6 |
| Manufacturing | $919.9 |
| Wholesale trade | $200.9 |
| Retail trade | $201.5 |
| Transportation and warehousing | $1,025.1 |
| Information | $125.3 |
| Finance and insurance | $384.4 |
| Real estate and rental and leasing | $97.2 |
| Professional, scientific, and technical services | $425.9 |
| Management of companies and enterprises | $144.3 |
| Administrative and waste management services | $212.2 |
| Educational services | $65.2 |
| Health care and social assistance | $322.1 |
| Arts, entertainment, and recreation | $38.5 |
| Accommodation and food services | $101.2 |
| Other services | $149.7 |
| **Total** | **$4,538.2** |

Source: Author’s calculations derived from US Bureau of Economic Analysis, Input-Output tables

**Impacts on Jobs.** Finally, of the total number of jobs spawned by the economic activity of U.S. shipbuilding and vessel operations servicing the offshore energy industry, about 31.3 percent of those jobs are created within the nation's manufacturing and transportation sectors---13,679 and 18,587 jobs, respectively (Table 4). Additionally, heavy job impacts are felt in retail trade (8,762), the health care and social assistance industry (8,422 jobs), administrative and waste management services (8,683 jobs) and the professional, scientific and technical services industry (7,426 jobs). In only three sectors listed in Table 4 were there job benefits of less than 1,000 in 2008. Clearly, the benefits of these two industries' activities with the offshore exploration industry are very widespread.

**Table 4**
**Impact on the National Economy of**
**U.S. Shipbuilders and Vessel Operators Servicing**
**The Offshore Exploration, Development & Production Industry**

| **Industry Sector** | **Permanent Jobs** |
|---|---|
| Agriculture, forestry, fisheries | 1,356 |
| Mining | 437 |
| Utilities | 304 |
| Construction | 660 |
| Manufacturing | 13,679 |
| Wholesale trade | 3,468 |
| Retail trade | 8,762 |
| Transportation and warehousing | 18,587 |
| Information | 2,159 |
| Finance and insurance | 6,531 |
| Real estate and rental and leasing | 4,139 |
| Professional, scientific, and technical services | 7,426 |
| Management of companies and enterprises | 1,735 |
| Administrative and waste management services | 8,683 |
| Educational services | 2,601 |
| Health care and social assistance | 8,422 |
| Arts, entertainment, and recreation | 1,845 |
| Accommodation and food services | 6,298 |
| Other services | 6,069 |
| **Total** | **103,160** |

Source: Author's calculations derived from US Bureau of Economic Analysis, Input-Output tables

## IV. Impact of U.S. Shipbuilders and Vessel Operators on Tax Revenues

In the sections above we concentrated our analysis on generating the impact of the U.S. shipbuilding and offshore vessel operations servicing the offshore energy industry on business sales, household earnings, and jobs. However, there are at least two other important contributions that the two industries make to national economy. First, firms in both industries directly pay taxes to federal, state and local governments. A second source of tax revenue results from taxes collected on household earnings these U.S. shipbuilders and vessel operators create indirectly through the multiplier effects.

### Federal Tax Revenue Impacts: Direct Taxes

On the questionnaire firms were asked how much they paid in direct federal taxes in 2008. As it turns out, fewer respondents filled out this section of the questionnaire. Direct federal taxes paid were reported by 58.8 percent of the shipbuilding business and 43.9 percent of the vessel operations. Thus, those who did respond made up a more than adequate sample for estimating total direct federal taxes paid. Based on this sample of responses, these firms paid $385.3 million in direct federal taxes in 2008---an obviously very significant figure. This figure is shown below in column 2 of Table 5.

### Federal Tax Revenue Impacts: Indirect Taxes

In Table 1, we reported the new household earnings that are created nationally by the economic activities of U.S. shipbuilding and offshore vessel industries servicing the offshore exploration industry. Our I/O tables suggest that earnings for households in the U.S. were $4,538.2 million higher as a result of the operations of these two industries. These household earnings in turn result in additional federal tax revenues via several forms of taxes. While it is difficult to get precise figures on the magnitude of these tax revenues, we generate them indirectly. According to the *Economic Report of the President –Table B-82*, federal tax receipts from all taxes were approximately $2.51 trillion in 2006. Also, the Bureau of Economic Analysis (BEA) estimated that total personal income in the U.S. was about $11.3 trillion in that same year. Thus, total federal tax receipts are roughly 22.3% of total personal income. We assume that tax revenues derived from the increase in household earnings generated by the activities of these U.S. shipbuilders and offshore vessel operators can be estimated using this ratio. Based on this assumption, **the federal government collected a little over $1.012 billion annually in taxes ($4,538.2 million X 22.3 percent) indirectly due to the operations of these two industries** as they serviced the offshore energy industry (see the second number in column two of Table 5).

**State & Local Tax Revenues: Direct Impacts**

On the questionnaire firms were asked how much they paid in direct state and local taxes in 2008. As was the case for federal tax reporting, fewer respondents filled out this section of the questionnaire. Direct state taxes paid were reported by 60 percent of the shipbuilding businesses and 48 percent of the vessel operations. Direct local taxes paid were reported by 70 percent of the shipbuilding businesses and 48 percent of the vessel operations. Thus, those who did respond made up a more than adequate sample for estimating total direct state and local taxes paid. Based on this sample of responses, these firms paid $78.9 million in direct state and local taxes in 2008---an obviously very significant figure. This figure is shown below as the third number in column 2 of Table 5.

**State & Local Tax Revenues: Indirect Impacts**

The new household earnings attributable to operations of these U.S. shipbuilding and offshore vessel operating industries (the $4,538.2 million figure back in Table 1) also generate substantial tax revenues for state and local governments. We assume that these tax collections can be approximated by using the same technique as employed for federal tax revenues. According to the *Economic Report of the President, Table B-86*, state and local governments collected $1.733 trillion (apart from monies received from the federal government) out of the $11.256 trillion in personal income earned that year in the U.S. That means state and local governments collect about 15.4 cents in taxes for every dollar in new household earnings created. Thus, state and local governments collect about $698.9 million (15.4 percent X $4,538.2 million) annually in taxes indirectly due to the operations of these two industries (see the last number in column two of Table 5).

**Table 5**
**Impact on the Federal and State Tax Revenues from the Operations of U.S. Shipbuilders and Vessel Operators Servicing The Offshore Exploration, Development & Production Industry: 2008**
**(Millions)**

| **Type of Tax** | **Revenues (millions)** |
|---|---|
| **Federal Tax Revenues:** | |
| Direct Taxes | $385.3 |
| Indirect Taxes | $1,012.0 |
| **Total Federal Taxes** | **$1,397.3** |
| **State & Local Tax Revenues:** | |
| Direct Taxes | $78.9 |
| Indirect Taxes | $698.9 |
| **Total State & Local Taxes** | **$770.8** |

## V. Summary and Conclusions

A number of studies have looked at the importance of offshore energy to the country. A study made by our firm for Port Fourchon, Louisiana---which is the home for much of the offshore workboat fleet---indicated that a shut down of the offshore port for just three weeks would equate to a national economic impact of $9.9 billion in sales loss, $2.9 billion in household earnings loss, and over 77,000 jobs loss nationally. A June 2006 study by Global Insight and commissioned by the American Petroleum Institute entitled "The Economic Impact of Changing the Deep Water Royalty Relieve Act." indicated that a loss of deepwater production of oil and gas would cost the country 691,000 jobs. Because all of this activity requires vessels to carry cargo and workers and to perform offshore operations, it might be said that those vessels make that economic driver possible. As the Offshore Marine Service Association (OMSA) has pointed out, offshore vessels are "America's lifeline to offshore energy."

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Specifically, we generate four separate impacts generated by U.S shipbuilders and offshore vessel operators: (1) *new sales* for firms in the U.S., (2) *new household earnings* for residents in the U.S., (3) *new jobs* in the U.S. and (4) federal, state and local tax collections in the U.S. Our findings can be summarized as follows:

- Annually, the economic activity of U.S. shipbuilders and offshore vessel operations servicing the offshore exploration, development and production industry generates substantial benefits to U.S. businesses and workers.

    - U.S. businesses experience about **$18.1 billion in new sales** annually as a result of economic activities within this segment of the U.S. shipbuilding and offshore vessel operations.

    - New business sales spawned by these specific U.S. shipbuilders and vessel operations help to generate about **$4.6 billion in new household earnings** annually for U.S. workers.

    - Approximately **103,160 jobs** are supported by the economic activities of these U.S. shipbuilders and offshore vessel operators. This includes direct employment within these two industries of at least 29,000 workers. These estimates suggest a **job multiplier of about 3.6**---that is, for every one job created in these two sectors 2.6 other jobs are created elsewhere in the nation's economy.

    - These new jobs appear to be well-paid, with average annual earnings of approximately $43,992.

    - Chief beneficiaries of the spillover effects generated by U.S. shipbuilders and offshore vessel operators servicing the offshore exploration, development and production industry appear to be businesses and workers in the manufacturing and transportation sectors of the nation's economy. For example:

        - About 52.4 percent ($9.5 billion) of new annual business sales spawned by these U.S. shipbuilders and offshore vessel operators occurs within the manufacturing and transportation sectors.

        - About 42.9 percent ($1.9 billion) of new household earnings generated by the multiplier effects benefits workers within these two sectors of the nation's economy.

        - Approximately 31.3 percent of the new jobs attributable to U.S. shipbuilding and offshore vessel operations can be found within the manufacturing and transportation sectors---13,679 and 18,587 jobs respectively.

- Annually the economic activity of U.S. shipbuilders and offshore vessel operations servicing the offshore exploration, development and production industry generates the following federal and state/local tax revenues:

    - **The federal government collected nearly $1.4 billion annually in taxes** directly and indirectly in 2008 due to the operations of these two industries. Of this total, $385.3 is in direct taxes paid and just over $1 billion is in indirect taxes generated via the multiplier effect.

    - **State and local governments received about $770.8 million annually in taxes** in 2008. Of this total, $78.9 was in direct taxes paid and nearly $700 million was in indirect taxes generated via the multiplier effect.

Appendix A

## OFFSHORE MARINE SERVICES ASSOCIATION
## IMPACT QUESTIONNAIRE: SHIPBUILDERS

A. Name of firm (optional):______________________________________

**B.** Type of vessel(s) built, e.g., OSVs, tugs, barges, lift boats, crew boats, utility boats: ____________________________________________

C. What were the **annual revenues** of your firm by year from 2004-2008?
2004:$________2005:$__________2006:$________2007:$_______2008:$________

D. Of your revenues as listed in C above, how much came from constructing vessels to service the offshore oil and gas industry (as opposed to vessels built for the Defense Department, other public entities, or non-energy-related activities)?
2004:$________2005:$__________2006:$________2007:$_______2008:$_________

E. How many people were **employed** at your facilities in 2008? _____________

F. What was the **annual payroll** at your facilities in 2008?____________________

G. How much did your firm pay in **direct taxes** (corporate income taxes, direct sales taxes, excise taxes, other licenses and fees) to the **federal** government in 2008?____________________________________________

H. How much did your firm pay in **direct taxes** (corporate income taxes, direct sales taxes, excise taxes, other licenses and fees) to the **state** government in 2008?____________________________________________

I. How much did your firm pay in **direct taxes** (direct sales taxes, excise taxes, property taxes, other licenses and fees) to the **local** governments in 2008?____________________________________________

J. How much did your firm **contribute to non-profit organizations** (United Way, Boy Scouts, etc.) in 2008?:______________________________________

**Please either (1) fax your responses to Loren Scott at 225-751-2350, (2) mail to Loren C. Scott & Associates, Inc., 743 Woodview Court, Baton Rouge, LA 70810, or (3) email them to lorencscott@aol.com (please be sure to put the "c" in this email address). Responses will only be seen by two people within LCS, Inc. and will be held in strictest confidence. Data will only be reported in aggregate. No individual firm data will be released. Please return your responses by November 15th so we can complete the impact study on a timely basis for you. Thanks for your help!**

Appendix B

**OFFSHORE MARINE SERVICES ASSOCIATION**
**IMPACT QUESTIONNAIRE: VESSEL OPERATORS**

K. Name of firm (optional):_______________________________________

L. Type of vessel(s) operated, e.g., OSVs, tugs, barges, lift boats, crew boats, utility boats:
_____________________________________________________________

M. What were the **annual revenues** of your firm 2008?: $________________________

N. Of your revenues in 2008 (as listed in C above), how much came from operating vessels to service the offshore oil and gas industry (as opposed to vessels operated for the Defense Department, other public entities, or non-energy-related activities)? _____________________________________________

O. How many people were **employed** at your company in 2008?:________________

P. What was the **annual payroll** at your company in 2008?:____________________

Q. How much did your firm pay in **direct taxes** (corporate income taxes, direct sales taxes, excise taxes, other licenses and fees) to the **federal** government in 2008?_______________________________________________

R. How much did your firm pay in **direct taxes** (corporate income taxes, direct sales taxes, excise taxes, other licenses and fees) to the **state** government in 2008?_______________________________________________

S. How much did your firm pay in **direct taxes** (direct sales taxes, excise taxes, property taxes, other licenses and fees) to the **local** governments in 2008?_______________________________________________

T. How much did your firm **contribute to non-profit organizations** (United Way, Boy Scouts, etc.) in 2008?:__________________________________________

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