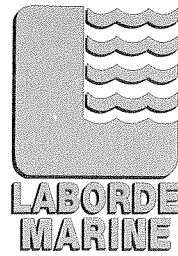


601 Poydras Street
Suite 1725
New Orleans, LA 70130



Phone: (504) 582-2185
Fax: (504) 582-2396
www.labordemarine.com

June 4, 2010

The Honorable Mary Landrieu
United States Senator
724 Hart Senate Office Building
Washington, D.C. 20510

The Honorable David Vitter
United States Senator
516 Hart Senate Office Building
Washington, D.C. 20510

RE: Moratorium on Deep Water Drilling

Dear Senators Landrieu and Vitter,

The B.P. blowout and its aftermath constitute a continuing tragedy of gigantic proportions, both for the nation as a whole, and for Louisiana in particular. However, the Administration's moratorium on deep water drilling is ill-advised and compounding the tragedy.

Over 50,000 wells have been drilled in the Gulf of Mexico with no environmental incidents of any consequence. Of that number, 4,000 were deepwater wells (drilled at a depth greater than 1,000 feet), and over 700 were ultra-deepwater wells (over 5,000 feet in depth); none of these had any problems. These impressive statistics establish that the offshore drilling industry has an excellent safety record. This record was achieved by advances in drilling technology, coupled with an industry culture of exceptional and safe performance. No one in the industry wants to see our water polluted with oil, and no one wants anyone injured or killed in the production of energy for our nation. The fact that the MMS conducted a safety assessment of each of the deepwater rigs in the days following the blowout and found no significant problems is testament to the industry's commitment to safe operations.

While the investigation into the BP blowout is still underway, it is apparent that the cause of this tragedy was a series of human errors in judgment, with catastrophic results. The technology and processes were in place to prevent this accident, but they were circumvented to expedite completion of the project. To shut down the entire industry is overkill and analogous to shutting down all commercial air traffic after one plane crash due to pilot error. It is a decision that makes no sense and should be reversed.

Laborde Marine is a family-owned business headquartered in New Orleans which employs over 200 people. Over the last three years, we have built in US shipyards or acquired new US built and flagged vessels primarily designed to service the deepwater drilling market. We own and/or operate 21 vessels, all built in US shipyards. We have invested over \$150 million to build or acquire our fleet of vessels. Our annual payroll is over \$14 million. Now the US government is telling us to simply "park" our vessels for at least six months. **Never in the history of the United States has the government**

decided to shut down an entire industry for six months. That decision seems to be a knee-jerk reaction based on an emotional response to the spill, and made without a full appreciation of the consequences which will adversely impact tens of thousands of hard working people who are engaged in the industry. It is a decision that advances the Administration's agenda for transferring to a clean/alternative energy economy, but at an enormous cost to the thousands of us engaged in offshore exploration and development.

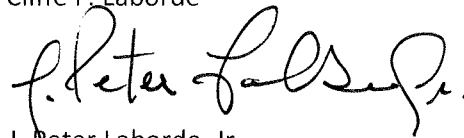
If the moratorium on deep water drilling is not lifted, the 33 semi-submersible rigs and/or drill ships affected will simply go to other countries where they will be well received, such as Brazil, the countries off West Africa, and Southeast Asia. They will not return to the US Gulf of Mexico for years, if ever. The damage to our industry will be irreversible. And the companies most adversely affected by this plan are the US based service companies – particularly the marine/boat companies which built their vessels in US shipyards, as required by US law to work in US waters. For us to move internationally, we will have to compete with vessels built in foreign yards at a much lower cost and often subsidized by foreign governments. It will not be a level playing field. The moratorium may well be the death-knell for US businesses engaged in the energy service sector. The major and independent operators – the “oil companies” – are not nearly as adversely affected by the moratorium as service firms, inasmuch as the operators will still own the oil in the ground, and can come back later, after the moratorium is lifted and oil prices have increased, and then produce the oil. The local service companies may not be around to come back.

We are proud to be a part of the offshore industry, doing our small part to assist in the production of energy for our nation. We believe that we are enhancing the national security of the United States by lessening its reliance and dependency on foreign sources of oil. While alternative energy is a laudable goal, it will be decades before alternative fuels make a dent in our country's needs. The transition to alternative fuels must be done over time – not by a six month moratorium that may well put us out of business. This is the United States of America, where reason and sound judgment have always been the foundation of our system of government – not poorly thought out and capricious reactions that destroy the livelihoods of thousands of its citizens in order to promote a partisan political agenda. Please do whatever it takes to lift the moratorium on deep water drilling immediately, before irreparable harm to our nation's and state's economy occurs.

Sincerely,



Cliffe F. Laborde



J. Peter Laborde, Jr.

Cc: Governor Bobby Jindal
Louisiana Congressional Delegation