

Testimony of Cory Kief – President of Offshore Towing, Inc.  
Larose Louisiana  
Committee on Oversight and Governmental Reform  
June 2, 2011

Good morning and thank you for the opportunity to testify on behalf of Offshore Towing, and how we have been impacted in the Gulf of Mexico as the result of the B.P. disaster, the moratorium, and related issues. Offshore Towing is a partnership of three smaller marine towing companies who collectively operate a fleet of sea going tug boats in the Gulf of Mexico, providing services in the Oil and Gas sector, primarily towing drilling rigs to and from various locations in shallower water. We are located along the Gulf Coast in Larose, Louisiana, and collectively employ approximately 110 people.

Although the moratorium has been lifted, and the shallow water sector was not to be impacted as the deep water sector, substantial negative economic impacts have been felt, and economic recovery is more distant now than ever before. This company used to move 25 to 30 rigs a month, and now we move 10 or less due to the lack of drilling permits being issued. On top of that, idle rigs are leaving the gulf as well due to the challenges with issuance of drilling permits.

We do not have term contracts, and work job to job on the spot market. B.P. will not compensate companies like ours because they claim that our economic losses are a result of the moratorium, not the spill. I was present for Mr. Bromwich's testimony in March before the House Natural Resources Committee, and heard his testimony. He testified that he felt as though the government was responsible as well for the blow out, but this Administration continues to reflect as much light as they can on B.P., or anyone else that they can blame. \$20 billion sounds good, but grants us no relief, and unforgiving governmental

agencies, such as BOEMRE, do not provide much hope for us when it comes to addressing our economic issues.

We have had few layoffs because of this crisis because we maintained an optimistic view relative to the industry rebounding in a timely fashion. We have used capital blended with lines of credit to offset the short comings that normal earnings would support. But, even that exercise has its thresholds. The beginning of the tolerance levels that have been established have been met now. Expectations for a timely recovery are lower now than ever. Our confidence in this administration, government, and its agencies are not what they used to be, and we do not believe that any reasonable solutions are in our near future. We have recently reduced wages on employees and have started a plan to begin releasing employees. We can no longer afford to subsidize unemployment, and must enforce these unpopular, but necessary exercises.

Our maintenance schedules have also been modified and changed to later dates because the necessity to replace and/or overhaul machinery will no longer be necessary due to the lack of use. Factories such as Caterpillar, General Motors, and John Deere, who produce our engines and replacement parts, will begin to be impacted as well. Therefore, states such as Michigan and Illinois will be feeling this slow down along with the rest of us. There are a variety of different items that could be identified, but this is the biggest example that I can describe.

We understand that precious lives were lost, and that an environmental disaster, that was some 60 years in the making, should not be ignored. However, there was a governmental agency that had a hand to play in this along with the others. Environmentally, the American government and several administrations over the past 60 years have ignored OUR environmental needs in this region. The Louisiana coast, marshes, and wet lands are disappearing at astonishing rates. So, our government

has ignored more environmental issues, including Macondo, than anyone else.

Mr. Bromwich claims to be offended by the term “perditorium”, but HE doesn’t understand that MILLIONS of people are offended by the actions, or LACK of actions, by this administration, the government, and its agencies.

The Administration, the government, the agencies, the media and the press have done a good job of separating the American people by creating political boundaries to satisfy political agendas. When the truth of the matter is that America is more interwoven than what it’s being given credit for. We need our brothers and sisters in Michigan and Illinois, and they need us. Americans all over this country depend on one another for a variety of different resources. Our leaders should focus on that. This government is so broken, and is beginning to virally infect the American people who deserve better. It is your duty, as stewards of the people, to fix this.

Please do your best for the American People, and put this nation back to work.

Thank you again for the opportunity to be heard.

## Biography

Cory H. Kief

June 1, 2011

Date of Birth – March 11, 1961

Place of Birth – Galliano, Louisiana

Education – Graduate of South Lafourche High School 1979 in Galliano, Louisiana

5 - Issues of various Coast Guard Licenses – none currently active

### Employment:

1976 to Current:

Doucet & Adams, Inc. – Ordinary Seaman, Chief Engineer, Mate, Captain / Master,  
Port Captain, Operations Manager, General Manager

2000 to Current:

Offshore Towing, Inc. – General Manager, President

Committee on Oversight and Government Reform  
Witness Disclosure Requirement – "Truth in Testimony"  
Required by House Rule XI, Clause 2(g)(5)

Name: Cory H. Kief

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2008. Include the source and amount of each grant or contract.

NONE

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

OFFSHORE TOWING, INC. / PRESIDENT  
DOUCET & ADAMS, INC. / GENERAL MANAGER

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2008, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

NONE

I certify that the above information is true and correct.

Signature:

Cory H. Kief

Date:

6-1-11