



# JOINT ECONOMIC COMMITTEE

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## UPDATE ON ECONOMIC EFFECTS OF HURRICANE KATRINA

The Port of New Orleans began unloading operations yesterday, sooner than expected. This suggests that damage to the nation's shipping capacity is less than was initially thought (earlier expectations were that it would take months before resumption of service). The American Association of Port Authorities, which supplies port updates at <http://www.aapa-ports.org/>, indicated an expectation that the Port of New Orleans would be at 80% of capacity within 3 months.

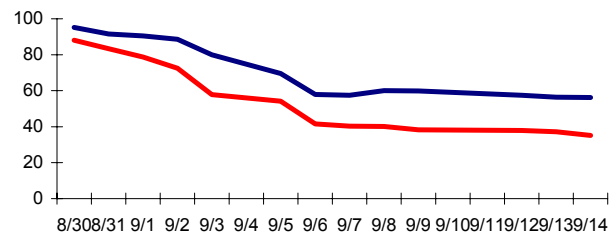
### Shut-In Production Continues to Decline

- The Gulf of Mexico (GOM) coastal region of the United States supplies 29% of domestic oil production and 21% of domestic natural gas production.
- At the peak of "shut-in" production caused by Katrina, on August 30, over 95% of daily GOM oil production and close to 88% of daily GOM natural gas production was shut in for environmental and human safety reasons.
  - A shut in facility does not produce. Shut-ins for oil and gas production are procedures used by industry for safety purposes. Once inspected and checked, production from shut-in facilities can be brought back on line.
- Today, shut-in oil is 56.25% of daily GOM production and shut-in natural gas is 35.18% of daily GOM production.
- The figures show shut-in data from the Minerals Management Service (MMS).
  - The upper figure shows daily shut-in oil and natural gas production, representing the percent of total **daily** GOM production shut in each day between Aug. 30 and Sept. 14.
  - The lower figure shows **cumulative** shut-in production, representing the percent of total **yearly** GOM production shut in between Aug. 2 and

each date on the horizontal axis. Between Aug. 26 and Sept. 14, cumulative shut-in oil is 3.750% of yearly GOM production and cumulative shut-in gas is 2.712% of yearly GOM production.

**Daily Shut-In Production**  
(% of *daily* GOM production)

— Crude Oil — Natural Gas  
Source: Minerals Management Service



**Cumulative Shut-In Production**  
(% of *yearly* GOM production)

— Crude Oil — Natural Gas  
Source: Minerals Management Service

