EARTHWORKS

PORT ARTHUR Community Action Network

Would the Blue Marlin Offshore Port Deliver on the Local Benefits it Promises?

December 2025

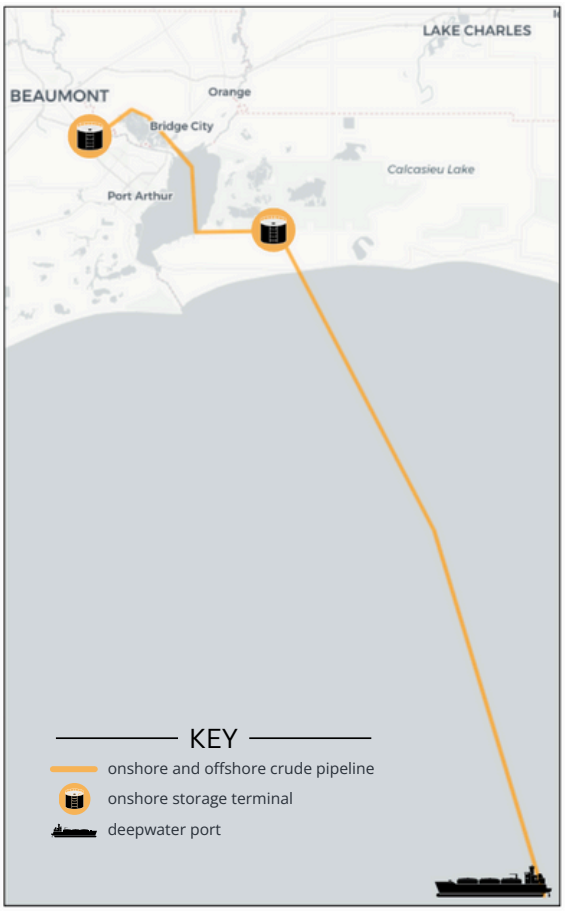
Since the crude oil export ban was lifted by Congress in 2015, there has been a surge in private-sector efforts to build, own, and operate offshore crude oil export terminals (known as "deepwater ports") along the U.S. Gulf Coast. The purpose of these terminals is to load bigger ships quicker, increasing profit margins for oil exporters and incentivizing faster production growth in shale plays like the Permian Basin.

Oil companies promise to bring local jobs and a positive economic impact to coastal communities by building deepwater ports. Instead, these projects create only a handful of permanent jobs while leaving environmental, social, and economic destruction in their wake. One proposal by Energy Transfer Partners to build the Blue Marlin Offshore Port LLC ("Blue Marlin") promises to "financially benefit" the local communities of Jefferson County, Texas; Orange County, Texas; and Cameron Parish, Louisiana.[1] **A closer look at the project's Draft Environmental Impact Statement (DEIS), prepared by the Maritime Administration (MARAD) and the U.S. Coast Guard (USCG), however, demonstrates these claims are misleading.**

The Project

The purpose of Blue Marlin is to transport and export 1,920,000 barrels per day of crude oil pipelined from the Bakken field in North Dakota and Montana, the Green Canyon area in the Gulf of Mexico, and Cold Lake oil sands in Alberta, Canada to buyers in Asia and Europe. This would involve building 37-miles of a 42-inch pipeline from an existing Sunoco terminal in Nederland, Texas, under the Neches River and through Orange County. The pipeline would then run straight through the center of Sabine Lake, a delicate ecosystem and critical habitat for both recreational and commercial fishing. Finally, it would connect to the existing Stingray Pipeline in Johnson Bayou, Louisiana, taking the crude oil

Figure 1: Map of Blue Marlin



Map is illustrative.
Source: Global Energy Monitor

30 miles out into the Gulf of Mexico, to be loaded onto tanker ships for export.[2]

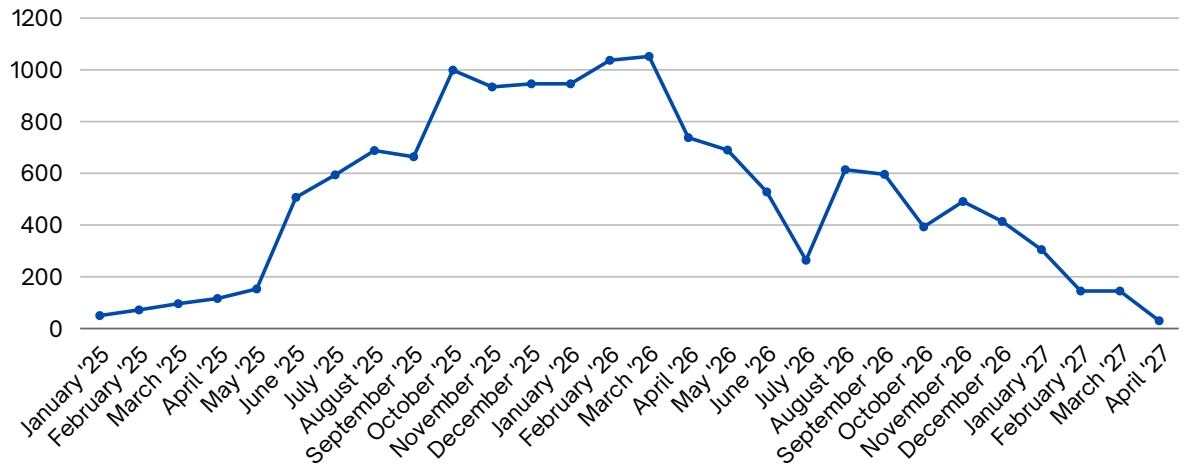
The project is the third offshore crude oil export terminal planned in the U.S., following the Sea Port Oil Terminal (SPOT) and Texas GulfLink. Both projects have received their deepwater port licenses from the Department of Transportation, yet are struggling to secure contracts and reach a final investment decision,[3] casting doubt on the demand for and economic viability of massive offshore facilities.

Local Employment

The Blue Marlin DEIS states project developers estimate that 95% of the workforce for both the onshore and offshore components would be hired from existing labor pools in Texas and Louisiana, with only 10-15% of that workforce hired from the directly impacted adjacent communities.[4] The DEIS also estimates the number of jobs generated by the project during construction and operation, but it oversimplifies these figures by relying solely on peak employment numbers, which overstate the workforce size. For instance, the DEIS boasts "project construction and project installation would support as many as 1,052 temporary jobs at a time during the multi-year construction period."[5] Yet, the DEIS shows that this construction workforce is not only temporary, but projected for a meager two months during construction. On average, Blue Marlin would create only 491 construction jobs across the 27-month construction period.[6] And, after the initial months of construction, the project is estimated to contribute just 39 permanent jobs during its 25-year lifespan, with a maximum of 28 workers operating the platform complex and 11 workers operating the onshore facilities.[7]

The majority of the jobs created by the proposed project are short-term and do not represent a significant source of stable economic development. The DEIS itself notes that construction activities "are not anticipated to

Figure 2: Monthly Jobs During Blue Marlin Construction Period, 2025-2027

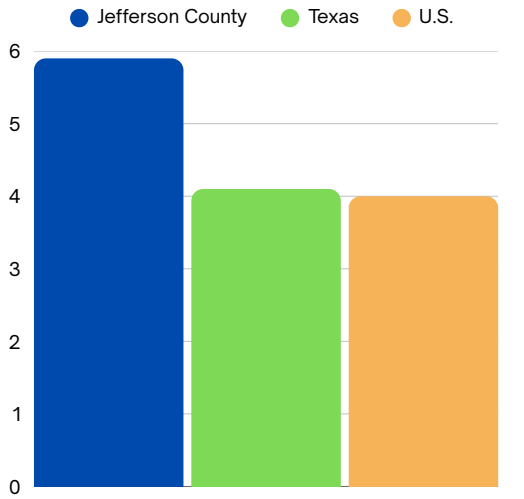


Source: Blue Marlin Offshore Port Project Draft Environmental Impact Statement

cause long-term changes in wage structure or employment."[8] Furthermore, Port Arthur residents attest that hires for the highest-salaried jobs are made from out of town or even out of state.[9] Residents hear of community members who have degrees in chemical engineering and haven't been able to get a job at one of the plants.[10]

In recent years, the state of Texas has made it difficult for municipalities to enact local hiring mandates, by preempting municipalities from adopting their own employment rules.[11] This in turn makes it hard to evaluate whether companies keep their promise to hire locally and even harder to hold them accountable when they don't.

Figure 3: Unemployment Rates 2024



Source: U.S. Bureau of Labor Statistics

Communities nearest to the proposed project are already replete with oil, gas, and petrochemical industry projects. Yet, they register relatively high unemployment rates. The Beaumont-Port Arthur area had a 4.9% unemployment rate, as of May 2025,[12] 23% higher than the state average.[13] Jefferson County saw 5.9% unemployment in 2024,[14] which was 44% higher than the unemployment rate across the state of Texas that year.[15]

Economic Damages

The potential for oil leaks and spills from the project could result in economic damages to the communities. Energy Transfer Partners, which owns one of the largest portfolios of energy assets in the U.S.,[16] transports about 30% of the nation's oil and gas production via 125,000 miles of pipelines.[17] In 2018, a report revealed that Energy Transfer Partners, its subsidiaries, and joint ventures had at least 500 spills totaling 3.6 million gallons of hazardous materials in a 16-year period, causing over $115 million in property damage.[18] Reuters also reported in 2018 that Energy Transfer Partners had amassed more than 800 state and federal permit violations while building their Rover and Marin pipelines.[19] The extent of the pollution over the past 25 years has cost ETP over $612 million in fines.[20]

Oil leaks and spills create real economic, cultural, and environmental costs for coastal residents. When oil spills contaminate beaches, disrupt marine life, and tarnish the natural beauty of a region, tourists are likely to stay away. As a result, local businesses, including hotels, restaurants, and tour operators, may experience a decline in revenue and the fishing industry is likely to suffer. Another example: in neighboring Cameron Parish, Louisiana, fishers and shrimpers have reported a drastic decline in their industry as LNG (liquified methane gas) export facilities disrupt crucial wetland ecosystems.[21] In the 2024 season, Cameron Parish shrimpers reported up to a 90% decline in catch.[22]

Following a disaster, oil spill clean-up workers also face significant health impacts. A study on U.S. Coast Guard responders to the 2010 Deepwater Horizon oil spill found associations between exposure to crude oil and coughing, wheezing, shortness of breath, headaches, stomach pain, diarrhea, nausea, and skin rash.[23]

A long-term study found that workers involved in cleaning up the catastrophic spill were 60% more likely to be diagnosed with asthma or experience asthma symptoms, compared to those who did not.[24]

Environmental Costs

Construction of the Blue Marlin terminal and pipeline would result in large-scale greenhouse gas emissions that threaten the resilience of coastal communities due to impacts like land-loss and worsening storms. Since 1980, the U.S. has sustained 403 weather and climate disasters where overall damages/costs reached or exceeded $1 billion (including Consumer Price Index adjustment to 2024).[25] The total cost of these 403 events exceeds $2.915 trillion.[26] In 2024 alone, the U.S. experienced 27 billion-dollar disasters.[27] Greenhouse gas emissions from crude oil combustion increase the frequency and severity of extreme weather events, including hurricanes, which particularly threaten the U.S. Gulf Coast.[28] Additionally, dredging, sedimentation, turbidity, and oil spills would jeopardize delicate ecosystems, including Sabine Lake's highly-sensitive oyster reefs and fisheries.[29]

Economists understand that these climate impacts associated with greenhouse gas emissions have a real monetary value and translate this cost as the Social Cost of Carbon.[30] The Maritime Administration's analysis reveals that the production of crude oil that could be exported by the Blue Marlin terminal would have a social cost ranging between roughly $998 million to $2.37 billion; the end use, or combustion, of this exported crude oil would have a social cost ranging from $11 billion to $37.5 billion.[31]

Tax Breaks

In addition to the economic and social costs of Blue Marlin and other oil and gas projects, the potential economic benefits are subsumed by state-level tax abatement policies. Tax abatement programs such as Texas' Chapter 312 Property Tax Abatement Program and Chapter 403 Property Tax Limitation & Replacement Payments, and Louisiana's Industrial Tax Exemption Program (ITEP) act like “corporate welfare,” enabling corporations to avoid paying their fair share of taxes.[32] As a result, communities lose significant tax revenue that could be used to support public services.

When big companies get tax breaks, they don’t have to pay as much money to the city or school district. This means there’s less money to pay for important things like schools, parks, roads, and firefighters. Sometimes, residents have to pay

$2.37B

Social cost of the production of crude oil that could be exported by Blue Marlin.

10-15%

Percent of workforce estimated to be hired locally, but not guaranteed.

39

Number of permanent jobs created for 25 years, not guaranteed to be local.

higher taxes to make up for it. Companies say they will bring jobs or help the community, but they don't always keep those promises. These deals are often made in secret, so local people don't get a say, even though it directly affects them.

For example, two major LNG facilities in Port Arthur - Golden Pass LNG and Port Arthur LNG - are both operating under 10-year Chapter 312 agreements that enable them to avoid 100% of their property taxes.[33] Chapter 312 agreements are not centrally documented,[34] so it is uncertain whether the Blue Marlin project has received any Chapter 312 abatements, though Energy Transfer Partners was previously a recipient of the Chapter 313 tax exemption program.[35] If the project is approved but does not become operational, taxpayers may be stuck with the bill.

The Future of Energy Jobs

While the oil and gas industry's promise of job growth is marked by short-term contracts, the renewable energy sector promises a pathway toward home-grown energy security. In 2021, the fossil fuel industry accounted for most of the energy-sector jobs that were lost nationally.[36] Despite record U.S. oil and gas production in late 2024,[37] employment across the sector is down 20% since 2019. Meanwhile, the number of jobs in the energy efficiency and clean energy industry sectors have grown rapidly. From 2022-2023, for example, clean-energy jobs grew at more than twice the rate of the national U.S. job market, adding 149,000 new jobs. The jobs were also protected: that year, union rates in the clean energy sector were higher than the overall energy sector average.[38]

Texas has long prided itself for energy production and innovation and that holds true for both solar and wind production and jobs. As of June 2025, Texas was second in the nation for total installed solar capacity and third for solar jobs.[39] Texas also generates more electricity from wind than any other state, supporting more than 26,000 jobs in the wind sector.[40] While recent federal budget legislation threatens to eliminate jobs and raise electricity bills for ratepayers, Texas renewables and energy efficiency have a vital role to play in both grid reliability and energy sector jobs.

Conclusion

Construction of massive oil-export facilities like Blue Marlin do not represent sustainable economic investment for Gulf Coast communities. Instead, employment peaks after mere months, employment fluctuates for a couple of years during construction and only settles at a few dozen permanent jobs, and there is no mechanism in place to ensure the jobs are local. Meanwhile, it is not uncommon for companies to receive enormous tax breaks that rob local communities of public revenue streams. Environmental destruction and climate-warming emissions harm coastal ways of life and leave communities more vulnerable to extreme weather. Massive corporations reap billions in profit, while small towns in Texas and Louisiana are left with decades of polluting energy infrastructure, putting their waterways, coastal lifestyles, health, and safety at risk.

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