MMS OFFSHORE GULF OF MEXICO

ORAL HISTORY PROJECT

Interviewee: John Deblieux

Date: January 29, 2007

Place: Houma, Louisiana

Interviewer: Jason Theriot

Keywords: Mexican work force, visas

Bio

Bio: John Deblieux is the Human Resource Director/Risk Management Director for Chet Morrison Contractors (CMC). He is also a member of South Central Industrial Association, a group of industry representatives who work to solve the labor crisis.

Early career: Worked on lay barges during summers with Tennessee Gas, who his father worked for. He worked in risk management at Torch International with Phil Thibodeaux then came to CMC to run the Human Resources/Risk Management department.

Work force/other issues: Deblieux is involved in a group called South Central Industrial Association who meets regularly to discuss work forces issues related to tri-parish industries. They are trying marketing programs to urge parents, teachers, and principals to encourage kids to get into the oil and gas industry. They've done surveys and studies that show that more young people are getting into other fields and many of their parents were involved in the oil industry during the downturns. Also, there is a change in culture, where after a generation of providing a better life and better education for younger people, those kids have a different work ethic then their parents, so they are less likely to get involved in a profession where working hard, long hours with your hands is a must. The organization is led by representatives in business and industry.

CMC: As soon as CMC opened a yard in Mexico, Deblieux began working with labor attorneys to keep migrant workers to Houma. It took CMC almost seven years through legal roadblocks to get the proper visas to bring in workers from their T&G Shipyard in Vera Cruz. The hurricanes paved the way through these roadblocks, however, in the process FEMA began taking away migrant fabrication workers with higher paying wages for clean-up, even though visas are only good for that one person and that one ten-month job at a fabrication yard.

Tape 1, Side 2

JT: Sounds like you're the man with all the answers to the nitty-gritty questions.

JD: Well, I don't know about all that.

MF [Mark Foret]: You notice how we left it all to him?

JD: Yes. My name is John Deblieux. I graduated from Nicholls State University in 1987 with a business degree with a law option. Immediately after school I got into the insurance business, the claims side. I did that for quite some time. I worked for a local municipality, as well, as their risk manager for some time. Like Phil, my dad, every winter and every summer when I was off of college was spent on a lay barge. My family moved around and work through different locations. My dad worked for Tennessee Gas Pipeline. So I was raised in the pipeline business. Some of our clients today are people that my dad hired some time ago.

So I kind of came up through the pipeline business and then Phil and I started working together when we were with Torch, and that's where I got my experience working in the pipeline business as a risk manager. Then came through to Chet Morrison Contractors, and here my title is risk manager. Human resources, I handle. Human resources reports to me, safety reports to me, and I also handle all of the contracts for this company, vendor and client. I also handle all of the insurance programs for this company, the health insurance benefits, the employee side of the benefits, as well as all of the liability sides for our company, which would be our Workers' Compensation, our general liability, our asset protection insurances, whether it be hauling machinery or property insurance. So I kind of get my hands in everybody's business. I mean, I see every business unit through my coverage of either Human Resources or through the insurance program.

JT: When did ya'll start hiring or looking into this immigrant labor situation?

JD: From the day we started our operation down in Mexico, I started working with labor attorneys to try to get visas to get these people here. And the visa that you use is called a H2V, it's a temporary labor visa, you can bring in people for two different reasons. One of them is seasonal need or the other one is called peak load. And you have to document to the government that you have these needs. The problem with doing that is is that they have a problem letting us bring people in if you can't justify either one of these means.

I went through quite a few different attorneys, and then finally after the hurricane season, after the hurricanes Rita and Katrina, there was some special, I guess, procedural rules passed to allow people in our area to get people in. There's a lot of Mexicans here now that are not here legally. There's a bunch of them that are here legally under one visa, but are trying to work, they'll leave that person to go work for other people. There's a lot of different issues that revolve around foreign labor.

The problem with an H2V visa is you can't work them on the outer continental shelf. They can only work within state waters of the U.S. In order to work them on the outer continental shelf, you've got to get another type of visa. It's called a B10CS, which allows you to work on vessels or structures. That's a program where you go through the Coast Guard to actually get approved. A lot simpler process, but these people can't stay on dry ground. They have to immediately go offshore.

So it's a lot of issues that revolve around getting people here. Once you get them here there's a lot of different things you have to do when you get them here. There's housing consideration. There's transportation consideration. There's language barriers, you know. One of the things where I believe we have a step up on most people is that because of our location in Mexico they were able to go in

and recruit people, to test these people, to know what we're getting before they get here. A lot of the labor service companies and other companies are going down there and they're just putting out the sign saying, "Hey, come on, we're looking for people." They don't have the means to qualify them prior to getting here. We know what we're getting when we get here.

We do have a few issues. We've lost a couple of people who got here, and, you know, oh, man, I miss home a little bit more than I thought. And the problem with that is, if you have a hundred visas, this guy comes here and works three days and quits, I can't replace him. That visa's spent. That visa attaches to one name. So we haven't lost too many. I think out of a hundred we got, I think we've lost three or four maybe, which I think is pretty good. You know, we've had other companies try to run at our people to try to get them, which you can't do it. They'll hire them, they're doing it illegally.

But you know one thing that I really noticed is prior to Katrina and Rita we were having Hispanics applying for jobs here, legal or illegal, one way or the other, probably ten, twelve a week. Immediately after Rita and Katrina, disappeared, I mean, they cease to exist. Because what happened is FEMA went over there in New Orleans and was paying extremely high amounts of money for work that was being, you know, low labor work, because they couldn't get the people. That also had a drain on us. We had people that left due to the storms that—I mean, for

example, in Harvey, we have a group of Vietnamese people that were extremely affected by the hurricanes. They were relocated over here to Dallas. Well, they're not coming back, because they're getting paid to stay there, and as long as they're getting paid, they're not coming back. So finally that ran out and all these guys are filtering back, and I mean, that's our blasting and painting workforce for the most part from that region.

JT: Well, let's start with when it all began with the Delta and this operation in Mexico. Tell me a little bit about that and how this idea came to integrate with what you all were doing there with what's going on in—

JD: Well, the workforce down there is basically if you look at where we're located, we're located near Vera Cruz, Mexico. In Vera Cruz, Mexico, is a very large shipyard called T&G, okay? T&G employs welders and fitters. They're a shipyard and most of these guys are ABS qualified. So you have your workforce there, they have the skilled labor, we need the skilled labor, it just took us a while to be able to get them here through a legal means in order to work them.

JT: What year was that?

JD: The year we got them here?

JT: When did you all begin to develop an operation, a yard, in Vera Cruz?

JD: What was the date, Chet? I don't remember right off the top of my head. It's probably two, three years ago?

CM [Chet Morrison]: About 2000.

JT: 2000. So this was seven years into it. Was what we're talking about now, the labor shortage in South Louisiana, was that one of the reasons why you decided to diversify and move, as an extra, a lagniappe as we say, was that a consideration?

JD: But it took us because of the methods you have to go through and the hoops you got to jump through to get these people here legally that long, and I don't think to this day had it not have been for the two hurricanes we'd have got them here. Because they look at us, the government looks at us, the Department of Labor, even though we're a contractor, they look at us as you're not supposed to be able to bring immigrant labor here unless you have a job to put them on. You're not supposed to ever sub them out. So because you have to prove this peak load or this seasonal need. A good seasonal need are like the ones you see coming across to pick vegetables or whatever they do. Peak load means that you can document that nine months out of the year, or actually it's a ten-month visa, that you have this peak load and you have to also go out and prove that you don't have the

people in that area to do that. Well, I can tell you, that's kind of complicated to do.

And then one of the other things you have to do is you have to pay them the prevailing wage. You know, if somebody's making $5 an hour in Mexico as a welder, you can't bring them here and pay them $5 an hour, because it's not fair to the other labor force. That's the whole idea behind it. So we pay them the prevailing wage, which is what—not everybody does that, but that's how we do it.

JT: But yet they're not obligated to pay any taxes or—

JD: Well, they are susceptible to U.S. taxes, but they just—they all claim none and zero.

JT: Right. That's interesting. So how long from 2000 when you guys went and developed a company there in Vera Cruz before you were able to actually get some hands to work?

JD: October 1st of this year.

JT: Really? 2006. It took you all six years?

JD: And it would have never happened had we not had the hurricanes. And we're working right now on getting additional people, as well as extending the visas we have.

JT: It's triple rates for marine transportation and offshore drilling rigs in the immediate necessity to getting to that deepwater activity and all the service that Gulf of Mexico provides, is that not or the government perceives as need?

JD: No, they don't look at it that way. They look at your actual history on a per company basis to determine need. They don't look at it that way. I mean, when you're going at it from a peak load you need to show them from the last three years documentation of how this peak load occurred. I mean, you have to show them numbers. You have to show them man hours, you have to show them dollar values, and you have to show this and be able to document it.

JT: I'll be damned.

JD: And it is very difficult. And then under an H2V visa there's only certain classifications of people that you can recruit. If you start looking at engineers or other people like that, there's a different type of visa you have to use.

JT: How long have you been here?

JD: I've been here since 2001.

JT: Okay. So it may be hard for you to answer this question, but I'd be curious to know what the immigrant work policy was in the eighties. I mean, did you have any experience with Vietnamese from South Vietnam in the eighties?

MF [Mark Foret]: No, we didn't have any when we was coming up.

JD: I can tell you through—the first Mexican I saw in our area was probably in 2003, 2004. Before that we had some Vietnamese, because the Vietnamese came over from Vietnam, we saw a few of them, but other than it was all Louisiana-born labor. You know you might have had, when we first came to Louisiana—well, my dad was in North Louisiana, we were transferred over to Alabama, but the oil industry, once you kind of—I'd probably say in the seventies you had a group of people that came from the outside that stayed and then all of those, the rest of the people, especially in this area, Terrebonne Parish, you had people that came from the outside and stayed, or you had fishermen that changed into the oil industry.

Then, you know, like Mark said, and one of things, I belong to a workforce development committee for a group called the South Central Industrial Association. We probably represent 60 percent of the employers between

Terrebonne, Lafourche, and St. Mary's Parishes. We've been working on this, I've been working on this with them for probably four years to try to figure out what we need to do to increase our workforce. We've gone through studies where we've presented surveys to industry to figure out where our needs were. Then what we did is we came in and we brainstormed to try to figure out exactly where the problems are. A huge part of this is the fact that the ups and downs of the oil industry, the parents are telling their kids, "No, you're not doing this. This is not what you're going to do for a living. You're going to go be a nurse," which I know a lot of oilfield workers when it went down that are nurses now. "You're going to go to college. You're getting in some other business besides the oil industry."

One of the things we've looked at is a marketing program to try to get out to these parents that there are good paying jobs. We have people that are welders and divers that they're making over $100,000 a year. Now they work a lot, but they're making over $100,000 a year. So it is a good business. It isn't quite as cyclical as it was, I think, and it's going to be a little bit more stable in the future, but it's still difficult for these parents, whose parents had been laid off in the seventies and the eighties and up and through the nineties, to get their mindset changed to go to work.

One of the other problems you're seeing from the—because we had, on this committee we also have the trade schools. Their problem is they can get a guy in the welding school as soon as he can weld in any capacity he's offered a job and he's gone, so he doesn't finish his training. There are free programs out there for certain training that they can get now, but there's nobody to go in the classes. You know, we even have the schools involved in this deal. We tried to go to the—what Louisiana does is they evaluate students at, I think in the eighth grade and again in the tenth grade, they give them a personality-type profile, and it sets them into a career cluster based upon their educational level and where they think they can be. But I'll tell you right now there's not a guidance counselor at any of these schools that's going to say, "Son, you need to be a welder. I don't want you going to college." It ain't going to happen. As soon as he does that, you know the next call is going to be to the principal, "What's your guidance counselor doing telling my son that he can't go to college?"

So it's a big tangled up mess and until, I think, the mindset of the parents today is changed, that this is an opportunity and not something to run from, you're not going to see it.

You know, and this is the other issue, is that you can interview the principals and you can interview the guidance counselors, the work ethic of some of these kids, because everybody now has done better, we're giving our kids everything they

want, and the work ethic isn't necessarily where it was when, you know, you worked with your daddy on that trawl boat or you worked with your daddy on his welding rig as his helper, because that's what they needed to do to make ends meet. It's not that way now. So man, it's a big problem. I mean, I'm not exactly sure what the answer is, you know.

We're trying to do this and in order to do this, you know, there's funding that we're trying to get as South Central Industrial Association to help study this. There's a, and I can get you a copy of it, but our survey that we did was completed just prior to Katrina. It would be really interesting to take that same survey and send it out post-Katrina/Rita to see what the numbers, how the numbers changed. But, of course, it takes funding to do that. We all know we got problems.

JT: And I think it's a cultural change.

JD: Oh, yes, no question.

JT: And the way that you guys have been brought up, and I see this on my end also, I mean, I am what you're talking about right now, you know. It was, "Don't screw up or you're going to be stuck at the Port of Iberia." And I'm sure that's going on anywhere from Alabama all the way to Corpus Christi, you've got this group of

men who learned from their father's, work hard, made it, became supervisors, became administrators, bought into companies, and they want to provide a better life for their kid than what their fathers were able to do, but what's happened as a result of that is a work, potential workforce has diminished.

JD: Oh, there's no question about it.

JT: It's kind of like it's a different effect than what you originally hoped.

JD: Well, I think a lot of people in this part of the country, you know, when you started having all these falloffs in work and as stuff started moving off the shelf, they just kind of said, "Well, you know, maybe it's going to go away. There's other work, there's other areas that we can move into." You know, the medical community, let me tell you what, as a result of those two hurricanes the hospitals have more beds than they got nurses to do the work. I've had a personal experience with this with my mom. She sat in the ER for two days waiting for a bed because we couldn't her into a hospital room because there was a whole floor of empty beds, but no nurses. They're hurting worse than us. And then the patient loads have doubled because there's nobody in New Orleans. People are still there, they just don't have any place for medical treatment.

JT: Have any of the studies that you put together, does it show any types of positives as something you can look at, grab a hold of and maybe build upon?

JD: You know, I guess we were looking at it from a different perspective as what our needs were more than the positive. I think what you could pull out of it, there are certain fields that you do not have shortages in, which would be a positive. Clerical areas, no problem, you know, the administrative type personnel, accounting type personnel. I mean, we've got Nicholls State University right there, it was one of the best business colleges in the South, so you have the people getting trained locally for that area. But where you don't have any training, and you do have some training now, you do have, you know, Terrebonne Parish school system has vo-tech, you have Fletcher, you have Young Memorial over there in Morgan City, which is probably the best dive school in the world that has openings or they had openings and then they were light on instructors. So they have the best facility, it cost you like $1,600 to go to school, but yet these dive schools over there in Jacksonville, Florida and Houston, Texas and on the West Coast it's twenty grand. These kids get here and figure it out, they go, "Dang."

Now one of the things we had to do to recruit people, we had sign-on bonuses. We paid for their schooling when they came out, over a two-year period of time. A tender's wage, pre-Katrina/post-Katrina, went from $12 to $18, that market was so competitive. And we tied these guys into two-year commitments on, like,

school, pay you $10,000 the first year, $10,000 your second year. I have never, in the oilfield industry, ever seen recruiting taking place like we had to do for that. We attended job fairs. You know, you were talking about the military, I called the military and I talked to their master chief who trains every diver for the U.S. Navy, he has no urge to send us people, because they're short. So I can send them all the information, but I can tell you, we never got one response from anybody coming out, because they don't want them out.

JT: What's the marketing plan?

JD: That's still to be determined. That's one of the things we're working on. And we're working through some funding through the Louisiana Recovery Authority and there is a lot of workforce development that's being proposed through the Louisiana Recovery Authority, and we're hoping that the tie is going to be that across the board where we use one marketing strategy for the different funding instead of everybody trying to do their own programs, because we're going to have to get outside this state to bring people in. We're going to also have to work for the future development of the kids coming through school. Some people have suggested that you need to start in the third and fourth grade. Now, I can't see that, but that's through communicating to the parents, not to the student. The student's not making this decision, it's the parents that's making the decision. I mean, it's huge. And if you get a group of people together, you're going to find

everybody has a different idea. You take the educators, they have one idea. You take the business community, it has one idea. You take secondary education, they have another idea. And we're trying to put all this together and what we're trying to do is, because industry is wanting it so bad, we're trying, I guess, to be the ones to move it at a quicker pace than what they are accustomed to moving.

JT: Is a grassroots approach more feasible or would you guys be looking at a more top-end approach to, say, from a government standpoint?

JD: We are definitely driving this through business and industry and if we get government funding, good; if not, we're moving anyway, because it's too slow. I mean, I can tell you that's the drive. I mean, that's what this group of people is all about. We take on the issues of our region, whether it be a workforce development, tax issues, development of or maintaining of our channels coming in and out of this community, coastal erosion, governmental affairs. I mean, it's a pretty involved group. Chet was the president of it last year.

JT: Generally how often do you all meet?

JD: Once a month, typically on a Tuesday or a Wednesday.

JT: Here in Houma?

JD: Yes.

JT: I have a feeling that our anthropologist from Arizona would probably like to participate in that, if you would be open to it.

JD: I'm sure we can make that happen. Especially if they can lend any input one way or shape or form, because we're always looking for ideas, because sometimes you get tunnel vision on things. Yes, we thought after we got this survey we were going to know what we've got to do with it, and then once we got the survey back it was so much information that we looked at this and we said, "Man, this problem is huge." Because then when we brought in the educators and we heard their side of the story, it's like, oh, my God. I mean, it's different from Terrebonne to Lafourche to St. Mary, and I'll tell you Lafourche Parish is way ahead as far as working with industry compared to Terrebonne, because you've got two big players down there. You've got Bollinger [Shipyards] and you have Edison Chouest, and those two groups work very closely with the community to make things happen, and Terrebonne is a little bit behind that learning curve. St. Mary is, you know, we didn't get a tremendous amount of input from them, but they're probably behind Terrebonne Parish when it comes to trying to make the industrial aspect of education strong, or as strong. You know, you take the ACT and you have a 15 on it, chances are you're not going to pass college.

You know one of the areas I really see as a gap and I don't understand where these kids are going, there are a lot of kids that go to college for one year and they don't make it. We can't figure out where they're going. I mean, we just don't see them. We don't know where they're going.

JT: There's got to be a way to tag them.

JD: Well, there's a lot of sophisticated systems out there to try to do it and the trade schools have a real good tie into that, but they're not seeing these kids either. You know, one of the deals we thought about was, you know, instead of having a job fair, we were going to have a—we really didn't come up with a name of it, but what we were going to do is we were going to place business in there and say, "Here's your opportunity. This is what we're looking for." We were going to put the educators in there, say, "This is what instruction is available," and then we were going to put the finance people in there and say, "If you can't afford it we'll give you the money," but then Katrina hit and we needed things quick. Then the reasons or way we solved our problem was to try to get the—but you know we didn't get them for a year later. I mean, that was ridiculous.

JT: I interviewed a black fellow eighty-seven years old, was a merchant mariner for fifty-four years, lives at a retirement community in a country club, and we had

this conversation at the end of the interview trying to figure out why there are fewer and fewer people getting involved in the maritime industry with the respect to the Port of Houston and Galveston and that area. His idea, which I'll share with you guys, what I thought was just brilliant, was exactly what you're talking about, is a job fair, is an oil fair, or a port fair, or an industry fair, where you invite, not just potential young people who are looking for jobs or the one-year-out-of-college-dropouts or what have you, but an entire community of kids all the way from fifth grade to twelfth grade and you bring them in and you explain to them what this industry provides, what is the importance of this channel, this channel here, or this Intercoastal byway here or Port Fourchon there. What does it mean to you family, your mom and dad and your grandparents and how is that all connected to this community, and teach them, teach them about what it is. Start from very young.

I mean, I can say this, if I may, as a kid we took a lot of field trips and those are some of the things that always stick with you. I don't know if I'm a novelty in that respect, but I can remember all of those trips that you take to various companies or to the prisons, with, "Hey, you screw up you could end up here." Those are the kinds of things that stick with you. And I'm wondering if teachers have even thought of bringing kids down here for field trips.

JD: I mean, one of the thing is, is we looked at going to the schools, because, you know, go into the schools and do these events in the schools. But you've kind of got two groups of people you need to market to. You've got the people who have already exited school, that is one group of people that you can assembly one way, and then you have the kids already in school, which you can assembly another way. Lafourche Parish has gone—this program where the state has that you get evaluated, you're supposed to sign off on this, the parents are supposed to sign off on this. You know, I think it's seventh grade is the first year. I've talked to five parents that have kids in the seventh grade in Terrebonne Parish, not one public school parent had seen that sheet of paper. I had one from Vanderbilt, you know, it must be the eighth. What's the first year of Vanderbilt, eighth grade?

MF: It'd be the eighth grade.

JD: It's eighth grade. There was one person at Vanderbilt knew what the heck I was talking about, and I'm thinking, you know, Lafourche parish, if it's not signed off by the parent, the parent is called into school. I mean that's all—and it's different parish by parish by parish. So there are some things in place.

But the other thing we're finding is you've got a Department of Labor doing one thing, you've got the Department of Economic Development for the State of Louisiana doing another thing, but very similar. And one of the things we tried to

do is get our hands around all these different programs to see what's already been done to figure out what's the best route to go. I mean, it's a huge undertaking.

JT: Have you all discovered any of these same kind of problems in other states, in other regions?

JD: Mississippi, the coast of Mississippi, the ship building business in particular. We supply labor to them. They're having problems as bad as we are.

JT: What about Texas?

JD: Texas, I'm sure they're having the exact same problems, it's the same exact industry, but we haven't had to call for people in that direction, but I know they've got to have the same problem. They probably have more migrant labor than us just because of the close proximity. All them people that are coming here illegally are driving right through Texas to get here.

[End of interview]