

# ONE to ONE

An Update on the Efforts of the LA 1 Coalition

Winter 1999

## The Task At Hand

Sometimes you get exactly what you ask for. Last fall, the LA 1 Coalition was pleased to learn that Governor Mike Foster, through an executive order, was creating a "Louisiana Highway One Project Task Force" to look at improvement and expansion possibilities for the southern half of the state road. And then the Coalition's public and governmental relations efforts over the past two years scored an even bigger victory for our group, landing five members of the Coalition with spots on the new task force.

"Having the Governor take such an interest in the status of LA 1 gives us hope of a serious state commitment that is essential if we are to reach our funding goals. The more we can make state officials and other policy-makers in Louisiana aware of our project and why it is needed, the better shot we have of making the new highway a reality," says Executive Director Roy Francis.

He, along with Chairman Ted Falgout, Charlotte Bollinger, Billy Coyle

and Roger White represent the Coalition on the 21-member group composed of Department of Transportation and Development and Federal Highway Administration officials, legislators, business leaders and interested citizens. In addition, State Representative Miitch Theriot, a vocal supporter of LA 1 Coalition efforts was instrumental in the formation of the task force.

### *The task force is charged with evaluating the feasibility of upgrading LA 1 from a two-lane highway to a four-lane highway or interstate.*

According to the Governor's Executive Order, LA 1 is vital to the economic vitality and safety of citizens who live and work in the region, but is often impassable during inclement weather. Further, the order recognizes that residents in the area between Grand Isle and Raceland are dependent on the

highway for hurricane evacuation, and that the economic infrastructure of this region of the state is dependent on the integrity of LA 1.

Considering these concerns, the task force is charged with evaluating the feasibility of upgrading LA 1 from a two-lane highway to a four-lane highway or interstate between Port Fourchon and Alexandria. The group will also look at funding needs and sources, and determining citizen support for the highway project. A comprehensive written report will be submitted to the Governor and the Legislature by April 1, 1999.

During meetings held in Baton Rouge on November 16 and December 9, the members of the task force heard various presentations on the federal highway program, the proposed North/South Corridor project, the Zachary Taylor Parkway proposal, the status of Sen. Mary Landrieu's "fair share" legislation and the state's highway priority funding system. Francis made a presentation on behalf of the LA 1 Coalition during the November meeting. Members will also form subcommittees to do specific tasks related to the goals of the executive order.

## Wetlands Work Group Tours Port Fourchon

South Louisiana had an opportunity to show off its beauty and its bountiful resources in October when the White House Wetlands Working Group visited the area. During their trip to see firsthand the devastating effects of coastal erosion and wetlands loss, the members made a stop at Port Fourchon, where they learned how important the area is to deepwater oil and gas production and the entire nation's energy supply.

As part of the Port Fourchon program, several LA 1 Coalition members were asked to say a few words about the issues threatening the region's economic prosperity and safety of its residents. One of these speakers was Edison Chouest Offshore's Vice President Roger White (pictured), who stressed the need for a dependable highway in an area that is a "natural treasure," both economically

-CONTINUED ON PAGE 3-



# Toll Would Help, But Study Says Public Funds Are Essential for Highway Project

-by Loulan Pitre, Executive Committee Member

Every time we mention our highway project to anyone in the highway business, they ask, "Have you considered a toll road?" Well, about a year ago the LA 1 Coalition felt it was time to seriously consider what role a toll could play in the financing of the highway. After talking to various consultants and attorneys with expertise in toll road financing and construction, and after conducting a good bit of research on the internet, we determined that the first and most important step was to obtain a preliminary feasibility study.

The Greater Lafourche Port Commission, a founding member of the LA 1 Coalition, took the lead in spearheading the study. There are only three firms in the country who can prepare a toll road study that will be accepted by Wall Street as a necessary requirement for the sale of bonds to finance a toll road. The Port Commission solicited proposals and accepted a proposal by Wilbur Smith Associates (WSA) of New Haven, Connecticut to prepare a Preliminary Feasibility Study for an elevated toll road from Golden Meadow to Leeville. The cost of the study was over \$90,000, but the Port Commission secured a grant from the Louisiana Department of Economic Development to cover 75 percent of the cost. The remaining 25 percent was funded by the Port Commission.

During June and July of 1998, WSA observed traffic and roadway conditions, as well as conducted roadside traveler surveys to better understand the composition of the traffic using LA 1. Motorists were stopped and asked questions relating to their trip origin and destination, the purpose of their trip, the industry that was related to their trip, and how many times per week they made the trip. The field surveys were taken at two locations in order to distinguish Fourchon traffic from Grand Isle traffic. Not surprisingly, oil & gas activities predominated at Fourchon and recreational/tourist uses predominated at Grand Isle. Overall, the results indicate that approximately 40 percent of the traffic on LA 1 south of Leeville arises from the oil and gas industry, and recreational/tourist uses account for approximately 30 percent.

Using economic models to project

expected growth in usage if a new highway is built, WSA projected expected toll revenues for three scenarios: (1) closure of the existing LA 1 to through traffic; (2) weight limits on LA1 requiring trucks to take the new highway; and (3) full competition with existing LA 1. Each of these scenarios was considered for two different hypothetical highways: (a) a two-lane elevated highway with a 55-mph limit; and (b) a four-lane elevated highway with a 65- mph limit.

***"A new elevated highway can be built ONLY with substantial investment of public funds."***

The study concluded that toll-supported bonds would provide no more than ten percent of construction costs for each of the scenarios described. However, current traffic and economic projections suggest that the two-lane highway does make more economic sense at this time. As one would expect, the model shows that more toll revenue is generated if the existing LA 1 is com-

pletely closed to through traffic, yielding 9.4 percent of the cost of constructing a two-lane elevated road. If the existing La. 1 were to remain open as a free road to light traffic only, toll-supported bonds could provide over six percent of the cost of constructing a two-lane elevated highway. And the tolls would support less than three percent of construction costs if the existing LA 1 remained open to all traffic.

Based on the economic projections used by WSA, a new elevated highway can be built ONLY with substantial investment of public funds. This can be justified by the broad public benefits that would result from the project, in terms of economic growth, energy supply to the nation, revenue from federal mineral leases, hurricane evacuation and others. Nevertheless, the toll road concept may remain a substantial component for a package that would build the road with funding from a variety of sources. And the securing of the study is one further and necessary step in the Coalition's efforts to get the road built.



## Hibernia Becomes Silver Sponsor



***During the LA 1 Coalition's annual meeting October 20, Hibernia National Bank stepped up its support to the organization with a \$5,000 donation for this year. This contribution brings the large Louisiana-based bank up to silver sponsor status, and signifies the concern that businesses of all kinds have for the health and dependability of LA 1. Thanks to Hibernia and more than 60 other corporate members, the LA 1 Coalition is able to conduct public and governmental relations activities aimed at improving the highway system.***

# Chairman's Report



-by Ted Falgout, Executive Director, Greater Lafourche Port Commission

It's hard to believe that two years have already gone by since the Coalition was formed. Much has been accomplished, but much remains to be accomplished.

It's my firm belief that Bob Livingston resigning as Speaker of the House-designate and leaving Congress altogether has dealt a terrible blow to our efforts for better highways and other coastal infrastructure and restoration initiatives.

My attitude towards this setback is that we and the remainder of Louisiana's congressional delegation will just have to work harder and be more aggressive towards our funding needs. Our project is a legitimate one that meshes perfectly

with the three major criteria for highway construction: economic, environmental and safety impacts.

With oil prices at their lowest level in decades, some are skeptical about the economic need for an improved highway. However, we must be well-armed with the facts that show that these prices are not seriously impacting deepwater drilling, which is Port Fourchon's niche, and that these prices will most likely be short-lived. Furthermore, the lower oil prices actually accentuate the need for efficient and economical access to deep water and strengthen Port Fourchon's position as the focal point of deepwater activity in the Gulf of Mexico.

---

## Annual Meeting Draws Members for Updates on Coalition Efforts

"It's great to hold an annual meeting when you have such good news to talk about," said LA 1 Coalition Chairman Ted Falgout as he opened the group's yearly gathering October 20 at the corporate offices of Edison Chouest Offshore. And over the next two hours, he and other Coalition members discussed, in detail, the strides the organization has made in membership, funding, legislation and public awareness since its formation two years earlier.

"Who would have thought that, in less than two years, we would play a part in getting improvements to the embankment of LA 1, or that we would read an editorial in the Times-Picayune supporting our activities? Who would have imagined that the Governor would be appointing a task force to study highway improvement options, or that major oil and gas would be a major contributor to our first important environmental impact study? And who would have ever believed that, after working less than two years on this effort, we would be receiving \$6 million in federal highway funding? We have been very successful so far in our short time together, and I think it is an excellent example of what working together can achieve," Falgout continued.

The Chairman said goals for 1999 include conducting an environmental impact study for an elevated highway between Golden Meadow and Fourchon and a feasibility study for road improvements from Golden Meadow to Raceland. He also plans to continue seeking multiple sources of federal funding, participating in congressional efforts related to OCS revenue sharing, and maintaining an aggressive governmental relations effort.

Representative Mitch Theriot commended Governor Foster for publicly showing his support for LA 1 projects with the creation of a highway task force, and Executive Committee member Loulan Pitre reviewed highway studies currently underway, including the toll road study discussed in this issue of One to One.

Guest speaker was Jim Porter of Mid Continent Oil and Gas, who pledged his organization's financial support to the Coalition. Since then, members of Mid Continent have donated funds to provide the state match to an environmental impact study needed for a proposed elevated highway between Golden Meadow and Port Fourchon.

The annual meeting was well-attended by LA 1 Coalition members.

In closing, I feel that we have been wounded by Mr. Livingston's resignation announcement, but we are certainly not dead. I feel very confident that this wound will heal quickly and that this experience will make us keener, sharper and even more aggressive towards our goal of an improved highway system between Grand Isle and U.S. 90 (I-49).

## Study Updates

- The Louisiana Department of Transportation and Development (DOTD) is reviewing a proposed supplement to a hurricane evacuation study that now includes the Houma-Thibodaux region up to a connection with I-10. If approved, the supplement would extend the study area south of relocated U.S. 90 down to Larose. Consulting firm URS Greiner holds the contract for this hurricane evacuation study, and DOTD anticipates the supplement to be executed in a month.

- In February, DOTD expects to post a bid advertisement for consultants to conduct the environmental impact study for LA 1 improvements between Golden Meadow and Port Fourchon, specifically an elevated highway and new Leeville Bridge. The study has been put on a fast track thanks to private funding by Mid Continent Oil and Gas. Members are providing the state's 20 percent match to federal TEA-21 funds tapped for the project.

## Wetlands Work Group

-CONTINUED FROM PAGE 1-

and environmentally.

"LA 1 is the only link to all of this oil and gas activity in Port Fourchon and the recreational activity at Grand Isle, the state's only inhabited barrier island. It is also our only hurricane evacuation route for residents and more than 6,000 offshore oil workers," White explained.

House Speaker Hunt Downer of Houma also made a stop at the Port Fourchon presentation and spoke for a few minutes on the importance of wetlands restoration and infrastructure. "LA 1 is a pipeline of commerce, not just for those of us in Louisiana, but the rest of the country too," he said.

## LA 1 COALITION MEMBERS

As of January 15, 1999

### **GOLD SPONSORS (\$10,000 or more)**

Bollinger Shipyards, Inc.  
Cenac Environmental Services, Inc.  
Danos & Curole, Inc.  
Edison Chouest Offshore, LLC  
Grand Isle Shipyard, Inc.  
Greater Lafourche Port Commission  
Houma Armature Works & Supply, Inc.  
Lafourche Parish Council  
Louisiana Offshore Oil Port, LLC  
Mid Continent Oil & Gas Assoc.  
SJI, Inc.  
Sureway Supermarket, Inc.  
T. Baker Smith & Son, Inc.

### **SILVER SPONSORS (\$5,000 or more)**

Deramee & Pitre, LLP  
Entergy Louisiana  
Golden Lane Marine, Inc.  
Hibernia National Bank  
John W. Stone Oil Dist., LLC  
L & M Botruc Rentals, Inc.  
Martin Terminal, Inc.  
L & LOil Company, Inc.

### **BRONZE SPONSORS (\$1,000 or more)**

Bank One  
Barriere Construction Co.  
Bilco Tools, Inc.  
Breaux Petro. Products, Inc.  
C & G Boats, Inc.  
Caillouet Land Corporation  
Cajun Trucking, Inc.  
CanDo, Inc.  
Constantin Land Trust  
Coastal Environments, Inc.  
Crosby Tugs, Inc.  
Doucet & Adams, Inc.  
Edward Wisner Donation Advisory Cmte.  
Francis Drilling Fluids, Ltd.  
Gilbert Cheramie Boats, Inc.  
Grand Isle Port Commission  
J. Wayne Plaisance, Inc.  
Lady of the Sea General Hospital  
Larry Picciola, Inc.  
Lower Lafourche Development, LLC  
Magnum Mud Equipment Co., Inc.  
Morgan City Rentals  
Morris P. Hebert, Inc.  
Ocean Marine Operators, LLC  
Picciola & Associates, Inc.

Pointe Fourchon, Inc.  
Ronald Adams Contractor, Inc.  
Orgeron Properties, LLC  
South Lafourche Bank & Trust  
South Lafourche Levee District  
Superior Shipyard Fab., Inc.  
Terrebonne Motor Co., Inc.  
Tetra Oil & Gas Services, Inc.  
Theriot, Duet & Theriot, Inc.

### **ASSOCIATE SPONSORS (up to \$1,000)**

ANS Engines, Inc.  
Bayou Civic Club  
Bayou Chemical & Supply, Inc.  
Delta Testing & Inspection, Inc.  
Legislative Support Group  
Landry House Bed and Breakfast  
Regions Bank  
Southern Scrap Recycling, LLC  
State Bank & Trust Company  
Suard Barge Service, Inc.

PERMIT NO. 14  
HOUMA, LA  
PAID  
U.S. POSTAGE  
BULK RATE

Thibodaux, LA 70310  
P.O. Box 2048-NSU  
LA 1 COALITION

## Taking the Show on the Road

Coalition representatives have been traveling recently to conferences and meetings with government officials and legislators in order to identify or secure funding sources for highway projects.

In December, Executive Director Roy Francis went to a conference in San Diego to learn more about the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA), designed to provide federal credit assistance to major transportation investments of critical national importance. The program may be a possible funding source for LA 1 improvements,

especially considering the importance of the highway to the offshore oil and gas industry and hurricane evacuation.

Francis also traveled to Washington, D.C. January 13-17, where he met with federal highway administration officials and various Congressional aides.



### For Your Information...

If you would like to receive additional copies of "One to One" or more information on the LA 1 Coalition, call Roy Francis, Executive Director, at (504) 448-4485 or write to us at P.O. Box 2048-NSU, Thibodaux, LA 70310. Our office is located on the campus of Nicholls State University in Thibodaux, LA, within the offices of the South Louisiana Economic Council. The LA 1 Coalition is a non-profit 501-c4 corporation.