

# ONE to ONE

An Update on the Efforts of the LA 1 Coalition

Spring 2001

## How Do We Spell Relief? COASTAL IMPACT ASSISTANCE FUNDING

*With the State of Louisiana poised to receive more than \$26 million in federal coastal impact assistance funds, the LA 1 Coalition is working hard to secure a good portion of that money for preliminary engineering work on a new Leeville Bridge. Combine this with two local legislators' request for funds in the state capital outlay bill, and the Leeville Bridge project could be moving closer to reality.*

Following the defeat of CARA at the close of the congressional session last fall, the fate of mitigation funding for coastal areas found a resting place in a new program authorized by Congress as part of the 2001 Commerce, State and Justice Appropriations Act. While it provides merely a fraction of the estimated \$100 to \$300 million a year Louisiana stood to gain from CARA, the Coastal Impact Assistance Program (CIAP) does provide impact relief to seven coastal states, including our own. In fact, according to the La. Dept. of Natural Resources (DNR), which will be administering the program for the state, Louisiana is expected to receive about \$26.4 million from the program this year, including up to \$6 million for infrastructure improvements.

The good news for the LA 1 project is that, while a third of the state's allocation will be directly funneled to 19 parishes in the coastal zone, the remaining funds will be spent according

to a DNR plan derived from project requests submitted by individual parishes.

"Once we learned of the state's allocation plan, we knew we had to do everything we could to get the most funds possible to start our work on a new Leeville Bridge. For that, we enlisted the help of two key supporters, Sen. Reggie Dupre and Rep. Loulan Pitre," explained the Coalition's Executive Director Roy Francis.

In a May 3 letter to Governor Mike Foster, Dupre and Pitre requested that, in addition to the \$338,647 Lafourche parish stands to receive from the CIAP



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*-Sen. Reggie Dupre*

this year for the LA 1 project, that the parish receive little more than \$1.3 million from the state's share to be used toward engineering and design for a new Leeville Bridge. The legislators also requested nearly \$5 million in state capital outlay funds toward the project that, along with nearly \$2.3 million from the TEA-21 federal funds approved in 1999

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### FEDERAL & STATE MIX COULD FUND START-UP FOR NEW LEEVILLE BRIDGE

State Capital Outlay Requests	\$ 4,547,000
TEA-21 Federal Funds	\$ 2,294,925
State Coastal Impact Funds	\$ 1,367,148
<u>Lafourche Coastal Impact Funds</u>	<u>\$ 338,647</u>
TOTAL Requested Funds	\$ 8,547,720

## ***Falgout Brings Plight of LA 1 to Light At House Subcommittee Hearing***

For years, the Greater Lafourche Port Commission's Ted Falgout has called for federal support of his region's fragile environment and infrastructure. On Monday, May 14 he called once again for federal money to mitigate impacts of oil and gas activity for coastal parishes like Lafourche "where Port Fourchon has become the focal point of of intermodal

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***- Ted Falgout***

transfer for support of over 75 percent of deepwater projects" during testimony before the House Subcommittee on Energy and Mineral Resources.

Falgout, as well as DNR Secretary Jack Caldwell and others, asked members of the panel, chaired by U.S. Rep.

Barbara Cubin of Wyoming, to "develop a mechanism to mitigate the landside impacts of OCS oil and gas development." In particular he pointed to the increased traffic along the southernmost part of LA 1 toward Port Fourchon due to OCS activity and the road's vulnerability to destruction by hurricane.

"We made a really strong argument for the state receiving a greater share of OCS revenue to maintain infrastructure, and the committee seemed to be concerned. Let's hope the urgency of our message makes it back to Washington," Falgout said.

His appearance at this subcommittee's field hearing conducted at UNO marks his third appearance before members of Congress. A transcript of Falgout's testimony can be read in "Chairman's Report" on page 3.

## **COASTAL IMPACT ASSISTANCE FUNDING** *from page 1*

and the CIAP funds, would generate over \$8.5 million for pre-construction activities on the Leveille Bridge.

"Considering the importance of the southernmost portion of LA 1 and the Leveille Bridge to the economic development of our region, it is time that we finally put this project in the state's capital outlay budget," said Dupre. "Citizens and businesses really can affect change, so I urge all those concerned to send a letter or make a call in support of our state funding efforts."

Lafourche parish submitted its CIAP funding proposal for preliminary bridge work to DNR in early May. The state is expected to send a final allocation plan to NOAA at the federal level by July 1 for approval. Funds may be allocated as early as the fall.



## ***Congressman Vitter Visits Port Fourchon***

*The prospect of locating a large, modern container port in South Louisiana brought U.S. Congressman David Vitter to the area this spring to view possible sites. On April 9, Vitter visited Port Fourchon, hosted by Rep. Loulan Pitre and the Greater Lafourche Port Commission, to get an up-close look at the facility's current and future capabilities.*

*"Congressman Vitter feels, as we do, that Louisiana needs to move quickly to put a plan in place for the Millennium Port, before other states get ahead of us," commented Pitre. "He knows that we have the resources and capabilities to build a first-class container port in this region." During his break from Capitol Hill, Vitter also visited Plaquemines Parish, another possible site for the Millennium Port.*

# Chairman's Report

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



*On May 14, I had the honor of testifying before the U.S. House of Representatives' Subcommittee on Energy and Mineral Resources as part of a field hearing on the nation's energy supply. Following is my prepared statement presented to members of the subcommittee.*

Experts have informed you about the growing significance of the Gulf of Mexico to the United States' energy supply. I'm going to focus my remarks on a specific area in South Louisiana that is playing a dominant role in supporting this activity. This area is Port Fourchon, Louisiana. Far removed from the limelight of the California Energy Crisis and ANWR drilling issue, this little dot on a map is, as the commercial says, "where the beef is." Unlike many states, Louisiana has embraced the offshore oil and gas industry, and we do it well with very little fanfare.

In 1995, with the passage of the Royalty Relief Act and the advancement of new technology, the Gulf of Mexico has transformed from what was once called the Dead Sea to what is now America's New Frontier. This transition occurred seemingly overnight and made way for the Black Gold Rush to deepwater. The post Royalty Relief shift to deepwater is significant - a decision of this nation that has been very rewarding, with reduced foreign energy dependence, balance of trade, record lease sales and fat bonuses. Much like the gold rush of the 1800's, this country has pursued the Golden Gulf with virtually no policy and very little concern about the landside infrastructure needed to retrieve this bounty.

**Nowhere** is the impact of OCS activity more evident than in Lafourche Parish where Port Fourchon has become the focal point of intermodal transfer for support of over 75 percent of the deepwater projects on line today. In addition, Port Fourchon serves as the land base for LOOP, this nation's only offshore oil port. LOOP handles about 15 percent of this country's foreign oil and is connected to over 30 percent of this nation's

refining capacity. When you combine Port Fourchon's ever-increasing role in the deepwater Gulf of Mexico and LOOP's role in both domestic and foreign oil, all of a sudden, you have this one tiny area in South Louisiana playing a leading role in producing and transporting nearly a quarter of this nation's energy supply. Port Fourchon, Louisiana, is quietly providing the necessary support services to meet the nation's energy demands, a job that nobody else wants to do.

The most alarming part of this situation is that you would think that this country would have some kind of energy policy that would recognize the extreme significance of such a strategic area and would spare no cost so it could continue reaping the bounty of more than 3 billion dollars annually in royalty payments. But the United States has no such policy. The reality is that this country's energy policy, or lack of it I should say, has allowed and even encouraged a stampede to the lucrative Gulf of Mexico and has done virtually nothing to prepare coastal communities for this surge of activity that has totally consumed us.



Today, over 90 percent of our business at the Port is directly tied to the Federal OCS. Like a boomtown, our Port has tripled in size since 1995, from over 40 to 120 companies, and one thousand big trucks a day are winding down a 30-mile substandard two-lane highway, making it twice as deadly as similar highways. This thread of a highway built for our grandparents to go visit each other on Sundays is now forced to carry the burden of OCS activity. It also happens to meander through the most rapidly eroding wetlands in this country and is extremely vulnerable to total destruction by a hurricane.

The U.S. Minerals Management Service recently completed a study which concludes that, as a result of heavy usage from increased deepwater oil and gas development, LA Highway 1, the only

road access to Port Fourchon, will not be able to provide the level of services needed and will become increasingly strained. The study projects an 80 percent increase in truck traffic over the next decade when the national average is 3 percent per year. This same agency (US MMS), in an EIS, describes the impacts on landside infrastructure, especially in focal point areas like Port Fourchon. The EIS includes statements like, "OCS Program activities will continue to have a significant impact on infrastructure in South Lafourche Parish due to increases in deepwater activity," and other statements like, "The cumulative impact is expected to result in the potential for increased strain, deteriorating conditions of existing infrastructure, and difficulties in delivering satisfactory levels of public services." If this is how our country treats friends of OCS production, can you blame others for not wanting a piece of this action?

I appeared before this committee two years ago in support of CARA and said many of the same things. The federal agency in charge of mining puts the impacts in black and white. Yet very little has happened to rectify this injustice. The Federal government just keeps on collecting its 3 to 4 billion dollars annually with little or no consideration for the landside activities that help generate this income. Now we find ourselves in a national energy crisis. One can hardly wonder why. When we ignore those who are willing to produce energy, then we add insult to injury by failing to pass legislation such as CARA which would assist in mitigating OCS impacts.

I again ask that this subcommittee develop, as part of this nation's energy policy, a mechanism to mitigate the landside impacts of OCS oil and gas development, and that it especially recognize and mitigate threats to strategic focal point areas like Port Fourchon before we truly witness an energy crisis of disastrous proportions.



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***Federal Appropriations Requests  
Submitted for Highway***

The LA 1 Coalition and the Greater Lafourche Port Commission have submitted two requests for federal funding of local infrastructure projects as part of the Fiscal Year 2002 Transportation Appropriations Bill. The first request sent to both the U.S. House and Senate is for the allocation of \$21.3 million to fund 80 percent of the costs associated with construction an elevated highway between Port Fourchon and Golden Meadow. The second request, for \$8.5 million, is specifically targeted for land rights acquisition, preliminary design, permits and other pre-construction work associated with a Leeville Bridge replacement.

**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.