RIGS TO RESTORATION: EXAMINING GULF COAST RESTORATION THROUGH ENERGY PRODUCTION AND PERMITTING

OVERSIGHT FIELD HEARING

BEFORE THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

SECOND SESSION

Friday, August 2, 2024, in Thibodaux, Louisiana

Serial No. 118–141

Printed for the use of the Committee on Natural Resources

Available via the World Wide Web: http://www.govinfo.gov
or
Committee address: http://naturalresources.house.gov

U.S. GOVERNMENT PUBLISHING OFFICE
56–416 PDF WASHINGTON : 2025

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CONTENTS

	Page
Hearing Memo	v
Hearing held on Friday, August 2, 2024	1
Statement of Members:	
Westerman, Hon. Bruce, a Representative in Congress from the State of Arkansas	2
Graves, Hon. Garret, a Representative in Congress from the State of Louisiana	3
Statement of Witnesses:	
Hecht, Michael, President and CEO, Greater New Orleans, Inc., New Orleans, Louisiana	5
Prepared statement of	7
Questions submitted for the record	11
Bankston, Meg, Executive Director, Parishes Advocating for Coastal Endurance (PACE), Baton Rouge, Louisiana	13
Prepared statement of	15
Questions submitted for the record	18
Graham, Kyle, Former Executive Director, Coastal Protection and Restoration Authority, Erie, Colorado	19
Prepared statement of	21
Additional Materials Submitted for the Record:	
Comments submitted at the hearing	36

HOUSE COMMITTEE ON

NATURAL RESOURCES

CHAIRMAN BRUCE WESTERMAN

To: Committee on Natural Resources Republican Members

From: Committee on Natural Resources staff: Annick Miller, x58331 (annick.miller@mail.house.gov), Kirby Struhar (kirby.struhar@mail.house.gov), and Will King (will.king@mail.house.gov)

Date: Friday, August 2, 2024

Subject: Oversight Hearing on "Rigs to Restoration: Examining Gulf Coast Restoration through Energy Production and Permitting"

The House Committee on Natural Resources will hold an oversight hearing on "Rigs to Restoration: Examining Gulf Coast Restoration through Energy Production and Permitting" on **Friday, August 2, 2024, at 1:00PM (CDT) at Nicholls State University in Thibodaux, LA**.

Member offices are requested to notify Madeline Kelley (Madeline.Kelley @mail.house.gov) by 4:30 p.m. on Monday, July 29, 2024, if their Member intends to participate in the hearing.

I. KEY MESSAGES

- Louisiana's geographic position, natural resources, and leadership in dealing with coastal land loss and restoration efforts is a case study on how to manage our natural resources.
- State entities like the Coastal Protection and Restoration Authority (CPRA) have developed successful strategies and solutions to restore the State's coast and protect its communities. The lessons learned from these efforts can be applied to coastal communities around the world.
- Louisiana's beneficial relationship between energy production and environmental protection, combined with the challenges it faces dealing with an often lengthy and cumbersome federal permitting process, provides important perspective that should inform policy at the federal level.

II. WITNESSES

- **Ms. Meg Bankston**, Executive Director, Parishes Advocating for Coastal Endurance (PACE), Baton Rouge, LA
- **Mr. Kyle Graham**, Former Executive Director, Coastal Protection and Restoration Authority, Erie, CO
- **Mr. Michael Hecht**, President & CEO, Greater New Orleans, Inc., New Orleans, LA

III. BACKGROUND

South Louisiana's communities extend from the capital region in Baton Rouge to the Gulf Coast. They contain natural resources that power the domestic and global economy. Louisiana's coast and wetlands serve as one of the most productive ecosystems for fish and wildlife species and produces nearly one-third of all seafood the

United States consumes.[1] The State is also home to the Atchafalaya Basin, a swamp of nearly one million acres that contains more than 100 different fish species and is "five times more productive than any other river basin in North America."[2]

This same region contains five of the top 15 ports in the United States by tonnage,[3] and its geographic position allows its maritime sector to access 38 states domestically in addition to international markets.[4] Louisiana is also blessed with energy resources and an energy workforce that fuels domestic and international markets. The United States Energy Information Administration ranks Louisiana as the third largest producer of natural gas in the United States, and fifth in proved natural gas reserves.[5] The Gulf of Mexico is also one of the largest producers of crude oil in the United States.[6] Notably, this is also some of the most carbon-efficient energy that's produced anywhere in the world.[7] Louisiana's oil and natural gas sector supports more than 340,000 jobs, $25 billion in wages, and adds more than $50 billion to the state's economy.[8]

Despite this region's impact and resources, it has experienced immense challenges and adversity. In 2017, a report from the United States Geological Survey (USGS) found that from 1932 to 2016, Louisiana has lost more than 2,000 square miles of coastal wetlands[9] to various factors, including river levees, navigation channels, hurricanes, and subsidence.[10]

As Louisiana has taken steps to protect its coast and its communities, it has run into numerous obstacles. One challenge is navigating the multiple statutes and agencies involved in the permitting process for restoration projects. Often, these statutes act as an impediment, halting projects in a way that leads to worse environmental outcomes. Additionally, offshore energy production, an industry also heavily impacted by permitting bureaucracy, generates a large percentage of the revenues that fund Louisiana's coastal program. Regulatory approaches that disincentivize American energy production don't just result in higher prices or greater energy insecurity, they result in less funding for critical restoration programs.

The examination of how these issues interact, and the steps that Louisiana has taken to respond to these challenges, can help to inform federal policy. Importantly, Louisiana's story contains lessons that can be applied to coastal regions across the United States and around the world.

Louisiana's Restoration Efforts, The Coastal Protection Restoration Authority, and the Coastal Master Plan

In August and September of 2005, major hurricanes Katrina and Rita devastated communities across Louisiana.[11] In response, the Louisiana legislature enacted Act 8 in December 2005.[12] This legislation formed the Coastal Protection and Restoration Authority (CPRA) within the Office of the Governor through the reorganization of state agencies with jurisdiction over coastal resilience, flood control, and environmental restoration.[13] Act 8 empowered the Chairman of the CPRA to "coordinate the powers, duties, functions, and responsibilities of any state agency relative to

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[1] Louisiana Seafood. Louisiana Seafood Industry. https://www.louisianaseafood.com/industry

[2] The Atchafalaya Basin. https://www.atchafalaya.org/atchafalaya-basin

[3] Louisiana Legislative Auditor. Louisiana's Public Ports System: Comparison to Other Southern Coastal States and Recommendations for Improvement. Issued January 31, 2024. https://app.lla.la.gov/publicreports.nsf/0/493fe89c1d5f184086258ab5006778b2/$file/00003bbba.pdf

[4] Louisiana Economic Development. About Louisiana's Office of International Commerce. https://www.opportunitylouisiana.gov/international-commerce

[5] U.S. Energy Information Administration. Louisiana State Profile and Energy Estimates. https://www.eia.gov/state/?sid=LA#tabs-1

[6] U.S. Energy Information Administration. Louisiana Profile Analysis. Last Updated: June 15, 2023. https://www.eia.gov/state/analysis.php?sid=LA

[7] National Ocean Industries Association. New Report: U.S. Gulf of Mexico Oil Production Leads With Lower Greenhouse Gas Emissions Intensity. May 16, 2023. https://www.noia.org/new-report-u-s-gulf-of-mexico-oil-gas-production-leads-with-lower-emissions-including-methane/

[8] American Petroleum Institute. Louisiana's Workforce and Economy: Powered by Natural Gas and Oil. 2023. https://www.api.org/-/media/files/policy/american-energy/pwc/2023/api-pwc-la-2023

[9] United States Geological Survey. Louisiana's changing coastal wetlands: Lack of Major Hurricanes Since 2008 is Likely the Main Reason. July 12, 2017. https://www.usgs.gov/news/national-news-release/usgs-louisianas-rate-coastal-wetland-loss-continues-slow

[10] TEDxLSU. America's coast in danger/Garret Graves. https://www.youtube.com/watch?v=2nxvIvbdgSA

[11] Coastal Protection and Restoration Authority. Our Plan. https://coastal.la.gov/our-plan

[12] Coastal Protection and Restoration Authority. Structure. https://coastal.la.gov/about/structure/

[13] *Id.*

coastal protection and restoration and shall administer the programs of the authority." [14]

CPRA is tasked with the development of a coastal master plan, which the statute defined as "the long-term comprehensive coastal protection plan combining hurricane protection and the protection, conservation, restoration, and enhancement of coastal wetlands and barrier shorelines or reefs, including amendments to the plan." [15] The coastal master plan is intended to be "a living document that changes as our understanding of the landscape improves and technical advances are made." [16]

In 2007, CPRA developed its first master plan, creating a wholistic and focused approach to coastal restoration.[17] Five years later, CPRA issued its second iteration of the coastal master plan that took further steps in laying out a specific, detailed path forward to accomplish its mission. Specifically, the 2012 master plan laid out an aggressive plan of 109 projects at a total cost of $50 billion.[18] CPRA examined existing plans and scientific research, as well as plans that Louisiana's parishes had developed, with a total of 1,500 project ideas initially considered.[19] Restoration projects included in the 2012 plan included the creation and restoration of barrier islands and dunes, and the development of oyster reefs.[20] Additionally, structural projects to reduce risks posed by flooding included floodgates, concrete walls, and different forms of levees.

Last year, CPRA released the 2023 coastal master plan, where CPRA Chairman Chip Kline noted that it has made great strides over the last 15 years in restoring Louisiana's coast.[21] Chairman Cline noted that CPRA's accomplishments, "include 358 miles of levee improvement, 60 miles of barrier island and headland restoration, the benefits of projects covering 82 square miles of our coastal habitats—a level of progress that would have been almost unthinkable when the coastal program first began." [22]

It's important to note that Louisiana is not alone in its experience. The lessons learned in Louisiana—from the effective prioritization of coastal protection efforts to a process that ensures a clear focus on a project's objective—could serve as a model for ensuring the resilience of coastal communities across the United States.

Energy Production and Environmental Protection Work Hand-in-Hand

The Gulf of Mexico Energy Security Act of 2005

Energy production along the Gulf of Mexico is critical to coastal restoration efforts, as it is a major source of funding for projects. This is primarily accomplished through the Gulf of Mexico Energy Security Act, or "GOMESA" (P.L. 109-432). GOMESA created a revenue-sharing model for oil-and-gas-producing gulf states (Louisiana, Alabama, Mississippi, and Texas).[23] Because of the work of previous administrations to ensure a robust offshore program, in Fiscal Year (FY) 2024, a total of $353,625,000 has been disbursed from GOMESA to the Gulf Coast states. The FY 2024 disbursements by state were as follows: Alabama, $49,830,178; Louisiana, $156,329,443; Mississippi, $51,915,113; and Texas, $95,550,266.[24]

GOMESA funds critical projects across Gulf Coast states, including environmental initiatives like oyster restoration in Mississippi, hurricane protection and living shoreline projects for coastal marsh preservation in Texas, and watershed enhancement projects that bolster regional environmental sustainability in Alabama. In

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[14] Louisiana Legislature. Act No. 8. https://www.legis.la.gov/Legis/ViewDocument.aspx?d=329530

[15] *Id.*

[16] Coastal Protection and Restoration Authority. Progress. https://coastal.la.gov/progress/

[17] Integrated Ecosystem Restoration and Hurricane Protection: Louisiana's Comprehensive Master Plan for a Sustainable Coast. April 30, 2007. https://research.fit.edu/media/site-specific/researchfitedu/coast-climate-adaptation-library/united-states/gulf-coast/louisiana/CPRA.-2007.-Louisiana-Sustainable-Coast-Plan.pdf

[18] Coastal Protection and Restoration Authority. Louisiana's Comprehensive Master Plan for a Sustainable Coast. 2012. https://coastal.la.gov/wp-content/uploads/2023/11/4365757-1.pdf

[19] *Id.*

[20] *Id.*

[21] Coastal Protection and Restoration Authority. Louisiana's Comprehensive Master Plan for a Sustainable Coast. Effective May 25, 2023. https://coastal.la.gov/wp-content/uploads/2023/06/230531_CPRA_MP_Final-for-web_spreads.pdf

[22] *Id.*

[23] Gulf of Mexico Energy Security Act of 2006. https://www.boem.gov/sites/default/files/oil-and-gas-energy-program/Energy-Economics/Econ/GOMESA.pdf

[24] U.S Department of the Interior Natural Resources Revenue Data. GOMESA disbursements. https://revenuedata.doi.gov/how-revenue-works/gomesa/

Louisiana, GOMESA funds have been used for coastal restoration, hurricane protection, and flood control projects.

The Biden administration's reduction in the 2024–2029 Program to just 3 lease sales, from an average of 21 lease sales, will result in a significant decrease in future revenue.[25] Depending on market factors like oil prices, a reduction in lease sales may result in states receiving only a fraction of the average annual GOMESA revenue, posing a substantial challenge to funding critical coastal restoration efforts.

GOMESA currently places a cap of 37.5 percent on state shared revenues that is set to be lifted in 2056.[26] This cap on revenue results in a significant imbalance compared to onshore oil and gas revenue sharing programs, where most states receive a roughly 50 percent share under the Mineral Leasing Act.[27] Because previous administrations have understood the critical need for energy production in the Gulf of Mexico, the GOMESA state cap was hit for the first time in 2019, and states have begun to lose out on funds vital to local communities and ecosystems. As a result, Gulf Coast state officials and House Republicans have contended that the cap should be removed or at the very least be given full parity with the U.S. Treasury, which receives 50 percent of revenues from offshore oil and gas production.[28]

As CPRA notes in its guidance on the implementation of GOMESA, provisions of Louisiana's constitution require that "the federal revenues that are received by the state generated from OCS [outer continental shelf] oil and gas activity and eligible, as provided by federal law, shall be deposited and credited by the treasurer to the Coastal Protection and Restoration Fund."[29] The guidance states that "the monies in this fund are dedicated to funding the development and implementation of a program to protect Louisiana's coastal area,"[30] including the development of CPRA's coastal master plan and its annual plans. Said another way, the revenues that offshore energy production generates directly fund the CPRA's vital efforts to protect Louisiana's coast.

5 Year Leasing Program

Under the Outer Continental Shelf Lands Act (OCSLA),[31] the Department of the Interior (DOI) is responsible for issuing regular five-year plans for offshore oil and gas leasing. The Gulf of Mexico has been a focal point for offshore oil and gas exploration in the U.S., with lease sales occurring regularly, usually at least twice annually and often three times a year. However, DOI's final 2024–2029 offshore oil and gas leasing plan—released by the Biden administration nearly two years late—proposes only three sales in the Gulf of Mexico planning area and zero sales in Alaska over the next five years. As a result of this delayed and misguided strategy, 2024 marks the first year since 1958 that no offshore oil and gas lease sale will occur.[32]

The continuation of offshore oil and gas leasing is of strategic importance for U.S. national security, national deficit reduction, and the economies of Gulf Coast states. Without increased lease sale opportunities, investment and development will stagnate, putting future offshore oil and gas production at risk. In the first 19 months that President Biden was in office, the administration leased the fewest federal acres for oil and gas production since President Jimmy Carter. The Biden administration's stance, intended to reduce emissions by limiting domestic production, deserves severe criticism due to the U.S.'s ability to produce oil and gas more cleanly than anywhere else in the world. Energy production occurring in Outer Continental Shelf regions is 46 percent less carbon intensive per barrel of oil equivalent than the global average, outperforming competitors like Russia, China, and

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[25] Bureau of Ocean Energy Management. National OCS Oil and Gas Leasing Program. Past Programs. https://www.boem.gov/oil-gas-energy/national-program/national-ocs-oil-and-gas-leasing-program.

[26] Congressional Research Service. Gulf of Mexico Energy Security Act (GOMESA): Background and Current Issues. Updated December 21, 2022. https://crsreports.congress.gov/product/pdf/R/R46195

[27] *Id.*

[28] U.S. Department of the Interior Bureau of Ocean Energy Management. https://www.boem.gov/oil-gas-energy/energy-economics/revenue-sharing

[29] Coastal Protection and Restoration Authority. Coastal Protection and Restoration Authority Gulf of Mexico Energy Security Act Infrastructure Funding Program. https://coastal.la.gov/wp-content/uploads/2016/08/Final-GOMESA-Infrastructure-Process.pdf

[30] *Id.*

[31] Outer Continental Shelf Lands Act. 43 U.S.C. 1331 et seq. https://uscode.house.gov/view.xhtml?path=/prelim@title43/chapter29/subchapter3&edition=prelim

[32] Bureau of Ocean Energy Management. "All Lease Offerings (February 2024)." Accessed July 16, 2024. https://www.boem.gov/sites/default/files/documents/about-boem/All%20Lease%20Offerings%20%28February%202024%29.pdf

Iran.[33] By restricting leasing opportunities, DOI sacrifices good paying American jobs and crucial revenue, all while pushing development to nations with lower environmental standards.

Historic Preservation Fund

In 1977, the National Park Service established the Historic Preservation Fund to support the objectives of the National Historic Preservation Act (54 USC 300101 et seq.). The Historic Preservation Fund is authorized to receive $150 million annually subject to Congressional appropriation on a yearly basis.[34] Like GOMESA, these revenues are generated by offshore oil and gas leasing and production. Originally the funding was intended just for states but over time became available to local governments, tribal nations, and competitive grant programs.[35] These competitive grants allow states, local governments, and tribal nations to apply for grant funding to assist with activities related to preserving their irreplaceable resources.[36]

Legislative Initiatives

House Republicans continue to fight for consumers by introducing solutions to rebuff the Biden administration's shameful and misguided energy policies and ensure long-term certainty in the offshore leasing program. H.R. 5616, the BRIDGE Production Act, introduced by Rep. Garret Graves (R-LA), contrasts sharply with the Biden administration's three-sale five-year plan. H.R. 5616 mandates 13 offshore lease sales over five years, including vital energy producing regions in the Gulf of Mexico and Alaska's Cook Inlet.[37] The Congressional Budget Office (CBO) estimates that enacting H.R. 5616 would "increase offsetting receipts by about $4.2 billion over the 20242034 period, stemming from additional collections of bonus bids, rents, and royalties."[38] This legislation will provide opportunities for greater energy security and increased domestic production by ensuring lease sales occur and leases are awarded on time. It also provides clear judicial remedies for sales that are litigated. Similarly, H.R. 1, the Lower Energy Costs Act, passed in the House of Representatives in March of 2023, mandates two offshore lease sales annually in both Alaska and the Gulf of Mexico.[39]

Federal Efforts for Coastal Restoration

In addition to GOMESA, there are numerous federal programs that help Louisiana protect its coast. Within the U.S. Fish and Wildlife Service (FWS), the North American Wetlands Conservation Act (NAWCA) provides grants for "long-term protection, restoration, and/or enhancement of wetlands and associated uplands habitats for the benefit of all wetlands-associated migratory birds."[40] This program ensures that grant recipients contribute matching funds "at no less than a 1-to-1 ratio,"[41] ensuring that projects are funded effectively. This program plays a major role in advancing restoration efforts in Louisiana. Every two years, FWS is required to submit a report to Congress outlining, in part, "the estimated number of acres of wetlands and habitat for waterfowl and other migratory birds that were restored, protected, or enhanced during such two-year period."[42] In its most recent report, FWS lists 11 projects in Louisiana that totaled more than $12.5 million in grant funding, with more than $30 million in matching funds.[43] These projects will

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[33] National Ocean Industries Association. "GHG Emission Intensity of Crude Oil and Condensate Production." May 2023. https://www.noia.org/wp-content/uploads/2023/05/NOIA-Study-GHG-Emission-Intensity-of-Crude-Oil-and-Condensate-Production.pdf

[34] NPS, State, Tribal, and Local plans and grants division, https://www.nps.gov/orgs/1623/index.htm

[35] NPS, Historic Preservation, https://www.nps.gov/subjects/historicpreservation/historic-preservation-fund.htm

[36] *Id.*

[37] H.R. 5616. BRIDGE Production Act of 2023. https://www.congress.gov/bill/118th-congress/house-bill/5616

[38] Congressional Budget Office. Cost Estimate, H.R. 5616, the BRIDGE Production Act of 2023. February 28, 2024. https://www.cbo.gov/system/files/2024-02/hr5616.pdf

[39] H.R. 1. Lower Energy Costs Act. Agreed to in the House on March 30, 2023. https://www.congress.gov/bill/118th-congress/house-bill/1/actions

[40] U.S. Fish & Wildlife Service. North American Wetlands Conservation Act (NAWCA) Grants: US Standard Program. https://www.fws.gov/service/north-american-wetlands-conservation-act-nawca-grants-us-standard-program

[41] *Id.*

[42] U.S. Fish and Wildlife Service. North American Wetlands Conservation Act Progress Report 2020-2021. https://www.fws.gov/sites/default/files/documents/north-american-wetlands-conservation-act-progress-report-2020-2021_0.pdf

[43] *Id.*

result in the protection, restoration, and enhancement of more than 45,000 acres of wetlands.[44]

Since 1987, FWS has also administered the Partners for Fish and Wildlife Program to help private landowners protect habitat. This program employs more than 200 biologists across all 50 states to provide technical assistance designed to improve habitat conditions at voluntary projects; many of these projects are on working landscapes.[45] This program also places considerable focus on protecting Louisiana's wetlands and habitat. In FWS' 2022–2026 National Strategy for the program, the agency set targets to conserve more than 1,400 acres of wetlands, and the construction of one aquatic passage project.[46]

The Committee on Natural Resources (Committee) has taken recent steps to reauthorize these important programs. H.R. 8811, America's Conservation Enhancement Reauthorization Act of 2024, introduced by Rep. Rob Wittman (R-VA), would reauthorize NAWCA through FY 2030.[47] The Committee held a legislative hearing on this legislation in July 2024.[48] Additionally, Rep. Dave Joyce's (R-OH) Wildlife Innovation and Longevity Driver Reauthorization Act (WILD Act) would reauthorize the Partners for Fish and Wildlife Program through FY 2028.[49] This legislation passed the House of Representatives by voice vote in February 2024.[50]

Permitting Challenges Prevent Effective Coastal Restoration

The Committee has been involved in numerous efforts to reform the statutes that govern the federal environmental permitting process, as well as oversight of the Biden administration's implementation of those statutes. Whether it's the Endangered Species Act (ESA),[51] the Marine Mammal Protection Act (MMPA),[52] or the historic reforms to the National Environmental Policy Act (NEPA) that were included in 2023's Fiscal Responsibility Act (FRA),[53] permitting reform is a top priority.

These statutes' various permits are required for many projects and activities. Building a road or bridge, coastal restoration and protection activities, or onshore and offshore energy production are just a few of the activities that require countless permits and authorizations. While these statutes serve critical roles, their implementation by federal agencies must be responsive to environmental needs while providing certainty to those carrying out important projects across the United States.

In 2017, the CPRA published a white paper titled *Environmental Review and Permitting Process Challenges for Louisiana's Coastal Program*.[54] This white paper talked about important projects in Louisiana like the Mid-Barataria Sediment Diversion, a project that went through decades of analysis and is designed to reintegrate the Mississippi River with the Barataria Basin in a way that rebuilds the coastal area.[55] CPRA noted that "our biggest challenge has been the environmental review and permitting processes, which although based on strong policy are

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[44] *Id*.

[45] U.S. Fish and Wildlife Service. Partners for Fish and Wildlife. https://www.fws.gov/program/partners-fish-and-wildlife

[46] U.S. Fish and Wildlife Service. Partners for Fish and Wildlife Program National Strategy 2022-2026. https://www.fws.gov/sites/default/files/documents/2024-06/final-usfws-pfw-national strategy-2022-2026-508c.pdf

[47] H.R. 8811. America's Conservation Enhancement Reauthorization Act of 2024. https://naturalresources.house.gov/uploadedfiles/hr_8811.pdf

[48] House Natural Resources Committee Subcommittee on Water, Wildlife and Fisheries. Legislative Hearing on H.R. 7544, H.R. 8308, & H.R. 8811. July 9, 2024. https://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=416245

[49] H.R. 5009. Wildlife Innovation and Longevity Driver reauthorization Act (WILD Act). https://www.congress.gov/118/bills/hr5009/BILLS-118hr5009pcs.pdf

[50] H.R. 5009. Wildlife Innovation and Longevity Driver reauthorization Act (WILD Act). Agreed to in the House on February 5, 2024. https://www.congress.gov/bill/118th-congress/house-bill/5009/

[51] House Natural Resources Committee, Subcommittee on Water, Wildlife and Fisheries. Legislative Hearing on H.R. 7544, H.R. 8308 & H.R. 8811. July 9, 2024. https://natural resources.house.gov/calendar/eventsingle.aspx?EventID=416245

[52] Committee on Natural Resources. Authorization and Oversight Plan 118th Congress. https://naturalresources.house.gov/uploadedfiles/hnr_118th_authorization_and_oversight_plan_01.27.23.pdf

[53] P.L. 118-5

[54] State of Louisiana Coastal Protection and Restoration Authority White Paper: Environmental Review and Permitting Process Challenges for Louisiana's Coastal Program. June 2017. https://coastal.la.gov/wp-content/uploads/2017/06/Regulatory-White-Paper-06-15-17-FINAL.pdf

[55] *Id*.

often implemented inefficiently resulting in significant delay, unpredictable decisions, and limited accountability."[56]

One specific challenge the white paper identified is that the federal government's process, which involves "numerous federal agencies with divergent missions,"[57] often fails to account for the broader benefits of restoration projects. Specifically, the way the NEPA process accounts for the environmental baseline in analyzing a project's Environmental Impact Statement operates under "the premise that current conditions are the appropriate baseline against which to evaluate a project's environmental impacts."[58] However, as the white paper notes, the baseline conditions along Louisiana's coast change regularly, which makes determining the environmental baseline for projects designed for the coast's long-term restoration a challenge.

Another set of permitting issues that have particularly impacted the coast of Louisiana in recent years relate to the interpretation of the MMPA and ESA. These statutes play important roles in protecting habitat and species. However, they can also be carried out in a way that halt restoration activities and disincentivizes energy production. There are recent examples of this in Louisiana. For example, in July 2023, the National Oceanic and Atmospheric Administration (NOAA) issued a proposal under the ESA to designate the 100 to 400-meter isobaths of the Gulf of Mexico as critical habitat for the Rice's whale.[59] This proposal could have devastating consequences on the many industries that operate in the region. That same month, the Biden administration entered a voluntary settlement with activists, resulting in the removal of about 6 million prospective acres from the September 2023 offshore lease sale (Lease 261) in the Gulf of Mexico and the implementation of new restrictions.[60] The stipulations included speed restrictions, night travel limitations, and other measures, which were seen as unnecessary and overly burdensome. Such measures, based on limited data, threaten future offshore development, risking GOMESA revenue essential for coastal restoration and conservation projects.

NOAA's proposed critical habitat designation and the restrictions from the Lease Sale 261 litigation illustrate a broader strategy to limit offshore development. Notably, the Committee has heard from stakeholders that the agency did not rely on the most accurate science and data in developing the proposed critical habitat designation.[61] This critical habitat designation has the potential to devastate oil and gas production in the Gulf of Mexico, thereby decreasing revenues Louisiana and other Gulf Coast states earn under GOMESA. This is another example of implementing an important law in a way that ultimately hinders coastal restoration efforts.

Ultimately, a federal appeals court ordered DOI to hold the sale without the additional protections for the Rice's whale. The Fifth Circuit Court of Appeals found that environmental groups lacked standing to challenge an order that blocked the exclusion of 6 million acres from the sale. The court's ruling directed the Biden administration to proceed with the sale, highlighting the contentious nature of these regulatory measures, despite the incredible benefits derived from the energy production they aimed to prohibit.

Finally, another regulatory challenge that these efforts face is incidental take authorizations issued under MMPA, which prohibits the "taking" of marine mammals. The MMPA states that "the term "take" means to harass, hunt, capture, or kill, or attempt to harass, hunt, capture, or kill any marine mammal."[62] However, in certain cases, NOAA will authorize a small take of marine mammals—known as an incidental take authorization—for a number of different activities.[63] Obtaining this authorization involves an application process that varies depending on the type of activity; some of these applications require a notice-and-comment period in the

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[56] *Id.*
[57] *Id.*
[58] *Id.*
[59] NOAA, NMFS, "Endangered and Threatened Species; Designation of Critical Habitat for the Rice's Whale," 88 Federal Register 47453-47472, July 24, 2023.
[60] "Sierra Club v. NMFS Stipulated Agreement with Exhibit." National Ocean Industries Association (NOIA). Accessed July 2024. https://www.noia.org/wp-content/uploads/2023/08/Sierra_Club_v_NMFS_Stipulated_Agreement_with_Exhibit.pdf
[61] Alexandria Loureiro, PhD. Testimony before the U.S. House Committee on Natural Resources, Subcommittee on Water, Wildlife and Fisheries. October 25, 2023. https://naturalresources.house.gov/uploadedfiles/testimony_loureiro.pdf
[62] Marine Mammal Protection Act. P.L. 92-522. https://www.govinfo.gov/content/pkg/STATUTE-86/pdf/STATUTE-86-Pg1027.pdf
[63] NOAA Fisheries. Incidental Take Authorizations Under the Marine Mammal Protection Act. https://www.fisheries.noaa.gov/permit/incidental-take-authorizations-under-marine-mammal-protection-act

Federal Register. There are numerous examples of delay in receiving these authorizations, which in many cases are restoration activities—this is another example of a regulatory process that, when not carried out effectively, could result in the unnecessary delay of a project designed to enhance a community's safety and resilience.

Louisiana's experience highlights how important an effective, efficient permitting process is, and how burdensome or misguided regulations can impact surrounding communities. Louisiana's experience can provide a window into these unintended negative consequences, which should inform and properly guide agency actions.

This field hearing offers members an opportunity to see how these issues interact—the bureaucratic permitting process, partnerships across government at the local, state, and federal level, and the direct relationship between energy production and environmental restoration. It's important to note that the USGS report from 2017 that reviewed Louisiana's historic challenges in dealing with coastal wetland loss found that Louisiana made progress in restoring its coast, with the researchers saying that the "rates of land area loss have continued to decrease, as they have since the 1970s," and that "the most recent observations are promising."[64] The progress in responding to that ongoing threat—one that threatens lives and livelihoods—is due to the work of many people across Louisiana. Examining that work and the lessons learned from it can help to inform policy moving forward, and ensure that the United States continues to take the actions needed to appropriately steward its natural resources.

[64] United States Geological Survey. Louisiana's changing coastal wetlands: Lack of Major Hurricanes Since 2008 is Likely the Main Reason. July 12, 2017. https://www.usgs.gov/news/national-news-release/usgs-louisianas-rate-coastal-wetland-loss-continues-slow

OVERSIGHT FIELD HEARING ON RIGS TO RESTORATION: EXAMINING GULF COAST RESTORATION THROUGH ENERGY PRODUCTION AND PERMITTING

Friday, August 2, 2024

U.S. House of Representatives

Committee on Natural Resources

Thibodaux, Louisiana

The Subcommittee met, pursuant to notice, at 1 p.m. CDT, at Nicholls State University, 906 E. 1st Street, Thibodaux, Louisiana, Hon. Bruce Westerman [Chairman of the Committee] presiding.

Present: Representatives Westerman, Graves, Fulcher, Bentz, and Collins.

Also present: Representatives Carter and Austin Scott of Georgia.

Mr. WESTERMAN. The Committee on Natural Resources will come to order. Good afternoon, everyone. I want to welcome our witnesses, Members, and our guests in the audience to today's hearing. I also want to thank my friend and Congressman, Garret Graves, for hosting us here in South Louisiana, and he told me to say in the town of Thibodaux, but I know it is Thibodaux. He tries to mess with me sometimes.

We will begin our hearing today with a prayer from Father Patrick Riviere from the Diocese of Houma-Thibodaux.

Father?

[Prayer.]

Mr. WESTERMAN. Thank you, Father. If you will remain standing, I want to recognize Charlotte Smith, a 20-year veteran of the U.S. Navy, to lead us in the Pledge of Allegiance.

All. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation, under God, with liberty and justice for all.

Mr. WESTERMAN. Thank you. Be seated.

We are here at Nicholls State University for a Committee on Natural Resources Oversight Hearing entitled "Rigs to Restoration: Examining Gulf Coast Restoration Through Energy Production and Permitting." Without objection, the Chair is authorized to declare a recess of the Committee at any time.

By the way of introduction, I am Bruce Westerman, the Chairman of the Committee on Natural Resources, and I also represent Arkansas' 4th Congressional District. I am grateful to be joined today by six of my colleagues. I ask unanimous consent that the gentlemen from Georgia, Mr. Scott and Mr. Carter, be allowed to participate in today's hearing.

Without objection, so ordered.

I also ask unanimous consent that all other Members' opening statements be made part of the hearing record if they are submitted in accordance with Committee Rule 3(o).

Without objection, so ordered.

I will now recognize myself for an opening statement.

STATEMENT OF THE HON. BRUCE WESTERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. WESTERMAN. This morning, we took a helicopter tour of Louisiana's coasts from New Orleans to Thibodaux, and from the air we saw a region that is abundant to oil and natural gas reserves, also to habitats from numerous fish and bird species, and a leading area for trade and commerce. However, this same region has faced challenges, including the loss of more than 2,000 square miles of coastline. That is an area of roughly the size of Delaware.

Today, we will hear valuable perspectives on Louisiana's coastal restoration efforts and the role American energy production plays in funding this work.

Offshore energy production in the Gulf of Mexico generates revenue that directly funds a large portion of the state's restoration projects. This is mainly thanks to the Gulf of Mexico Energy Security Act of 2006, or GOMESA, which disbursed $160 million to Louisiana in Fiscal Year 2024.

Collectively, energy production and coastal restoration are critical to the economy here in Louisiana, and I would say it is critical to the economy of the whole country. Coastal restoration efforts help protect businesses and all industries that contribute to the state's economy and communities.

The Coastal Center at Nicholls State University, where we are today, is a leading voice in providing scientific and engineered solutions for Louisiana to achieve a living, working, and resilient coast. Their efforts are central to the issues we are discussing today, and we do appreciate the university for having us.

And I will say, as we flew over and looked at the elaborate system, the estuaries, the barrier islands, and got some good information on what has happened over time, we saw the efforts on restoration. I come with an engineering background, and it was really marvelous what has happened. It is also very complex, and I thought, these are big projects. They are big engineering projects to begin with. And just to make sure you have the engineering right before you start the massive, expensive construction is very critical. So, hats off to everybody that has been involved in that.

I also got a chance to visit with Dr. Clune earlier, and I am going to put a shameless plug in for something that has nothing to do with natural resources. He was talking about how Nicholls State is an area leading in dyslexia research. I am the Chairman of the House Dyslexia Caucus, and that is a very important thing to all parts of our country. So, thanks to Nicholls State for the work you are doing in that.

Also, my wife is a dyslexia therapist, and I have been told any time I get a chance to plug dyslexia I better do it, helping people with dyslexia.

The Federal permitting process is often unresponsive. It impedes both energy production and restoration products that would make communities safer. For example, the Biden-Harris administration's 2-year postponement of an offshore lease plan means that for the first time since 1958, there will not be a lease sale in this calendar year. Louisiana will directly suffer the consequences of that decision.

Members of this Committee have been heavily involved in efforts to reform the permitting process, guarantee lease revenue for years to come, and make the government work more effectively. I am looking forward to hearing our witnesses' perspectives on how we accomplish these goals.

The topics we will cover today are making our communities more resilient, producing energy in America, and reforming the Federal permitting process, which are some of the most important legislative initiatives our Committee has pursued during the 118th Congress.

I want to once again thank our witnesses for being here today, and I look forward to this important discussion.

Now, I yield back my time, and I want to recognize our host, Congressman Garret Graves, for an opening statement.

STATEMENT OF THE HON. GARRET GRAVES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. GRAVES. Thank you, Mr. Chairman, and I, too, want to thank Dr. Clune and the entire community of Nicholls State University. I want to thank Colonel Jones and the Corps of Engineers and the National Guard for helping us out with the amazing tour today. And importantly, I want to thank all my colleagues.

Look, the reality is that each person up here represents somewhere from 700,000 to, as I learned yesterday, 1.1 million people in a congressional district. They represent a lot of folks, and now that we are in recess this is time you connect with people at home.

The reason these folks are here today is because of the discussions that we have had over the past few weeks, months, and years, about the connectivity of the threat and the resources in coastal Louisiana, literally to all 50 states.

Today, we witnessed an area that is one of the top energy-producing areas in the entire country, one of the most important natural resource abundant areas in the entire nation, that at the same time is experiencing some of the greatest coastal land loss in the world. Ninety percent of the coastal wetland loss in the continental United States happens in our coasts, and as many of you know, if our state was a land equivalent of areas like Delaware and Rhode Island, we would have 49 states today. This is a profound loss.

My friend from an area known as North Monroe, some people call it Arkansas, the reason they do not evacuate when hurricanes come is because Louisiana is their buffer. We are their buffer. And that buffer is being lost for us. It is why the consequences of storms like Hurricane Katrina, and more recently Hurricane Ida, were so profound. We have lost our buffer.

But it is not just the buffer. Louisiana is a unique state in that we have a working coastline. Top commercial fisheries, some of the top recreational fisheries in the nation. Some of the top port and maritime activities in this whole country. In fact, one in every five jobs in this state is tied back to our waterways, and as we discussed at dinner last night, 65 percent of the grains from the Midwest have to access our ports and waterways in order to access market.

And of course, again, the energy. The Chairman talked about what happens when you have bad energy policy, like, for example, issuing leases that are at a rate of 1/100, one 100th, of the acres that were issued under President Jimmy Carter. I have heard a lot of things about Jimmy Carter, and I have never once heard anyone say, "Bring back the Jimmy Carter energy policy." But let me tell you something. When Jimmy Carter was President, he issued 100 times more acres of leases when he was President of the United States compared to what we have seen now. When Ronald Reagan was President, it was nearly 360 times more acres of energy, in the offshore and onshore for energy production, than we are seeing right now.

And the consequences that people right here in Thibodaux, right here in South Louisiana, and in all 50 states is that we are paying higher gasoline prices at the pump, we are paying higher utility costs at our homes and businesses, and it is one of the major drivers of inflation.

Further, one of the most disgusting things and frustrating things about this, as a Congress within recent months we were faced with having to decide whether we were going to provide tens of billions of dollars in aid to our allies in Israel, to fight back against the aggression of Vladimir Putin in Ukraine, and much of this war that is going on is a direct result of failed energy policies in the United States. Because when we stop producing energy in the United States, Iran steps in and fills the void. Energy prices are much higher than they used to be.

Iran is profiting, by estimates months and months ago, $65 billion in additional profits, and Russia, months and months ago, more than $105 billion in additional profits. Each of those countries are using those dollars to come in and fund the wars, whether it is Russia directly funding their military, or it is Iran funding their proxy terrorist groups like Hamas, Hezbollah, Houthis, and others.

This is so frustrating because the impact right here in this community, when we are not leasing, means less money through the Gulf of Mexico Energy Security Act and revenue-sharing for our state, for our coastal parishes. It means less money in the economy because we are not producing energy here.

And look, I want to be crystal clear. I am one of the people that very much believes we need to reduce emissions as a globe. And with the clear direction, or the clear estimates that there is going to be a global increase in demand for oil and gas, why are we not producing it in the place that has the lowest carbon intensity in the world, which is the Gulf of Mexico.

Before I close, Mr. Chairman, I have a great longtime friend who is in the audience, and I do want to point him out. So many people here have done so much for our coast, but former State Senator

Reggie Dupre, former head of the Terrebonne Levee and Conservation District, and importantly, the author of the State Constitution that passed, I believe, with the largest margin of any constitutional amendment at the time, that ensure that every penny of revenue-sharing from offshore energy production goes back into the restoration of the coast and protection of our coastal communities. Senator Dupre, thank you for being here.

[Applause.]

Mr. WESTERMAN. Thank you, Representative Graves, and we do appreciate the state of Louisiana blocking for us, or LA, Lower Arkansas, as we call it sometimes. But you have a beautiful state and wonderful people here. It is so good to be in Louisiana. And I can tell you that the southern part of my district, along the Louisiana line, geographically it is called the Coastal Plain because it was the coast at one time, and you can excavate there and find ancient seashells and all kinds of marine life residuals left behind. But we do not want to go back to that any time soon, and it is very important that we take care of the coastline here in Louisiana.

Mr. GRAVES. Mr. Chairman, with all due respect, from what I have seen, the state of Arkansas and the University of Arkansas could use all the hell blocking from Louisiana that they can get, so we are happy to help out.

[Laughter.]

Mr. WESTERMAN. I probably opened myself up on that one.

[Laughter.]

Mr. WESTERMAN. Moving right along, we are now going to introduce our witnesses.

Mr. Michael Hecht is President and CEO of Greater New Orleans, Inc.; Ms. Meg Bankston is the Executive Director of Parishes Advocating for Coastal Endurance, or PACE; and Mr. Kyle Graham is the former Executive Director of Coastal Protection and Restoration Authority.

I want to remind the witnesses that under Committee Rules, you must limit your oral statement to 5 minutes, but your entire statement will appear in the hearing record.

We do use timing lights. When you begin, the light will turn green. When you have 1 minute remaining, the light will turn yellow. And at the end of 5 minutes, the light will turn red, and we ask that you complete your statement. I will also allow witnesses to testify before we go to Member questions, and I will now recognize Mr. Hecht for 5 minutes.

STATEMENT OF MICHAEL HECHT, PRESIDENT AND CEO, GREATER NEW ORLEANS, INC., NEW ORLEANS, LOUISIANA

Mr. HECHT. Thank you, and good afternoon, Chairman Westerman, Congressman Graves, and members of the Committee. It is great to have you here. I am honored to speak to you today about our state's coastal program and our region's global energy leadership.

In short, ensuring a resilient coast for Louisiana is not just a regional priority, but as you have said in your opening statement, it is a national imperative. Properly prioritizing coastal restoration in Louisiana is essential for energy security and prosperity for the entire nation.

As a leading hub for American energy production, Louisiana's working coast supports a vast network of refineries, pipelines, and offshore platforms that contribute significantly to our country's energy independence and economic vitality, particularly, as you said, Congressman Graves, when energy usage around the globe is expected to skyrocket because of AI and other demands.

And at the same time, energy production provides a critical funding stream for coastal restoration, and helps support critical programs for us like the Coastal Master Plan.

My name is Michael Hecht. I am the President and CEO of Greater New Orleans, Inc., the regional economic development organization for the 10 parishes of Southeast Louisiana. It is our mission to support a thriving economy and an excellent quality of life for everyone. And we recognize, in that context, the importance of coastal protection. And, again, not just for our constituents here in Southern Louisiana but for all of yours and all of the nation.

I am going to make four brief points today. I am going to talk about our national and international significance. I am going to talk about insurance affordability. I am going to talk about ecological productivity. And then, finally, about the challenge of coastal resilience.

Let's first talk about our national and international significance. I know that we are known for our culture, our music, and our Mardi Gras here, but probably our most important contribution is actually energy.

We produce the most offshore energy of all of the six offshore producing states, including California, Alaska, Texas, Mississippi, and Alabama. In fact, we produce more than the other five aggregated altogether. And to what you were saying, Congressman Graves, per McKinsey, we are also the cleanest producer in the world. We have the lowest carbon intensity barrels. So, we are actually the smart place to produce, as well.

Here are a few facts. We have the largest port, by tonnage complex, in the Western Hemisphere. Port Fourchon alone services 90 percent of the rigs in our Gulf. In 2022, Louisiana shipped 63 percent of our nation's LNG exports. This is so critical not just to our economy but to geopolitical security, after the Russian invasion of Ukraine. We are providing stability to Europe and providing an alternative to Russian gas, and frankly, also to Chinese coal. And then there is investment. We have the largest investment in human history, privately financed $21 billion venture global LNG.

Let me also discuss affordability. This is a fundamental issue. Because of the insurance crisis, it is just getting awfully hard for a working class or middle-class family to live and work on the coast of America, particularly Louisiana. Of that, under your control is NFIP. Risk Rating 2.0, we really have to address it. We have to address the affordability. We have to address the transparency. But most of all, it is a program that right now, because of the way it is scored, it punishes you by working near the coast. And we should not be punishing working America.

Since the implementation of Risk Rating 2.0, there has been a 5 percent decrease in policies. It is actually shrinking the program. Texas has lost 130,000 policies. Louisiana has lost 60,000 policies.

Ecological productivity, food. This is why we are also so important to providing the food energy. Ninety-two percent of agriculture exports in the United States originate in our basin. The Port of South Louisiana alone exports 50 percent of our food. And 90 percent of the fresh water that feeds the entire gulf, for Florida, for Alabama, for Mississippi, for Texas, and around comes through our basin.

And finally, coastal resilience. As the president of the university said, we are really here, I guess you could call it at the wet end of the sphere. We are the place that is experiencing the worst coastal land loss in the Western Hemisphere. With no action, we are going to lose over another 1,100 square miles over the next 50 years, and thereby the ability to fuel and feed the world.

Finally, let me just say this. We are committed here in Louisiana. We are dedicating our GOMESA funds to our Coastal Master Plan. Our $15 billion flood protection system kept us bone dry during Hurricane Ida. We are being responsible with these dollars.

In conclusion, Louisiana is economically and strategically vital to America's energy independence, national security, and national economy. With this in mind, we have to work together to protect Louisiana, not just for Louisianians but for Americans and for the world.

Thank you for your service.

[The prepared statement of Mr. Hecht follows:]

PREPARED STATEMENT OF MICHAEL HECHT, PRESIDENT & CEO, GREATER NEW ORLEANS, INC.

Good afternoon, Chairman Westerman, Congressman Graves, and Members of the Committee. I am honored to speak to you today about our State's coastal program and our region's global energy leadership. In short, ensuring a resilient coast for Louisiana is not just a regional priority but a national imperative—properly prioritizing coastal restoration in Louisiana is essential for energy security and prosperity of the American economy. As a leading hub for the nation's energy production, Louisiana's working coast supports a vast network of refineries, pipelines, and offshore platforms that contribute significantly to the country's energy independence and economic stability. Symbiotically, energy production provides a critical funding stream for coastal restoration and, with help from Congress, could be a fix to a forthcoming fiscal cliff for Coastal Master Plan implementation.

My name is Michael Hecht, and I am the President and CEO of Greater New Orleans, Inc. (GNO, Inc.), the regional economic development organization for ten parishes of Southeast Louisiana. GNO, Inc.'s mission is to create a region with a thriving economy and an excellent quality of life, for everyone. GNO, Inc. recognizes that proper investment in coastal protection is essential to this mission, not only for everyone in our region, but for all of your constituents as well.

Most immediately, our coast serves as the first line of defense for our regional residents and assets. Our people power our regional economy, which largely grew along the Mississippi River's connection to the Gulf of Mexico and drew from our natural resources. In 1803, to control the river and New Orleans, the Louisiana Purchase was executed, and our nation doubled in size overnight. Still today, many New Orleanians work at major facilities that *fuel and feed the world*. Thus, our coast—alongside our flood protection systems and internal stormwater management capacity—has direct and indirect implications on the national supply chain and the global economy across industries. Disrupting traffic on the Mississippi River for one day results in an economic impact of about $300M.

For illustration, according to the U.S. Army Corps of Engineers, there are 589 million tons of annual cargo movement along the Mississippi River. About 92% of U.S. agriculture exports originate in the river basin, and the Port of South Louisiana alone exports over 50% of all grain exports in the country. When conglomerating all five ports on the Lower Mississippi River, based on tonnage,

Louisiana is home to the largest port complex in the Western Hemisphere. If Louisiana's coast is left vulnerable and underfunded, this cargo flow will remain at risk, as will livelihoods of farmers across the basin and the stomachs of those far and wide, dependent on U.S.-produced produce.

Louisiana's crude oil refineries, natural gas processing plants, and petrochemical production facilities are the most concentrated in the Western Hemisphere. This concentration should command special attention and maximal protection, rather than continued coastal indifference. Moreover, according to the U.S. Energy Information Administration, Louisiana's 15 oil refineries account for nearly one-sixth of the nation's refining. Port Fourchon alone services 90% of the Gulf of Mexico's deepwater oil and gas activities. In 2022, Louisiana shipped 63% of the nation's total liquefied natural gas (LNG) exports. Now, the largest final investment decision in human history—Venture Global's $21B LNG export facility—is under construction within our region. This facility will stifle Russia's energy influence, reclaim American energy dominance, and establish stability for markets in Europe and Asia. Louisiana's geopolitical importance and project pipeline are growing—in all, there are over $40B in capital investments now underway across 49 energy projects, from clean hydrogen to carbon capture utilization and storage. Many of these projects are predicated on permitting by federal agencies, and all are affected by the wellbeing of Louisiana's wetlands.

Investing in coastal projects protects these facilities and their workforces. Unfortunately, we've experienced that neglecting our coast has grave consequences. Louisiana has the largest land loss crisis in the Western Hemisphere, accounting for 80% of our nation's wetland loss. Since the federal leveeing of the Mississippi River in 1930's, more than 2,000 square miles of Louisiana's coast has eroded. An area larger than the State of Delaware is gone. In total, the Mississippi River and Tributaries (MR&T) Project has delivered an exceptional return on investment of $109 to $1, preventing flooding of communities in states across the basin and allowing their regional economies to flourish. This tradeoff was foreseen—a 1897 edition of National Geographic claimed that the benefit "outweighs the disadvantages to future generations from the subsidence of the Gulf delta lands below the level of the sea and their gradual abandonment due to this cause." Thus, Louisiana's land loss has come at incredible gain to the nation, without proper compensation or mitigation for our uniquely deleterious impact. With no action, and no intervention in funding, we'll lose another 1,100 square miles of wetlands over 50 years. With proper investment in energy, and investment in coastal restoration from energy revenues through creative policymaking, this fate is very avoidable.

Louisiana's offshore oil and gas legacy—reflective of our longstanding leadership in energy leadership—started in 1934, soon after the leveeing of the Mississippi River, with a well drilled by Texaco a mile from Louisiana's coast. By 1947, commercial drilling had advanced 12 miles offshore of Louisiana's coastline, well beyond state waters and into federal waters. However, until 2006, Louisiana did not receive reliable revenue from federal oil and gas activity in the Outer Continental Shelf (OCS). Finally, with Katrina's devastating imagery in mind, Gulf of Mexico Energy Security Act (GOMESA) of 2006 was passed, sending 37.5% of revenues to Gulf producing states of Louisiana, Texas, Mississippi, and Alabama. Louisiana has committed to coastal stewardship with all relevant revenues received by dedicating sums to the constitutionally-protected Coastal Protection and Restoration Fund, "only for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly impacted by coastal wetland losses." However, in compromise, GOMESA did not give Louisiana the same 50% share most states receive from onshore federal leases under the Mineral Leasing Act. Furthermore, in GOMESA, there is a revenue-sharing cap of $375M between all states, which has now been reached. Not only have we not been made right from decades of missed revenue, but we are losing out on needed revenue now. Preventing access to this capital compounds unrectified risk, and our economies remain exposed, as do federal post-disaster assistance liabilities.

As the global all-of-the-above energy demand continues to expand, so does our opportunity. The first federal offshore wind energy auction for the Gulf of Mexico was held in August 2023. A high bid of $5.6M was placed for a Lake Charles-adjacent wind energy area, which could generate 1.24 gigawatts of energy capacity and power nearly 435,400 homes. However, because revenue sharing for alternative energy has not yet been enacted, Louisiana has received $0 from this sale. Beyond offshore wind, the OCS of the Gulf of Mexico has tremendous potential to permanently store large amounts of carbon dioxide that would otherwise be emitted into the atmosphere. Through the Bipartisan Infrastructure Law, the Secretary of the Interior has been authorized to grant a lease, easement, or right-of-way on OCS for long-term sequestration. BOEM is currently assessing this potential and has

already identified 9 candidate fields and 21 depleted reservoirs in the Gulf of Mexico for possible sequestration. Congress could proactively establish a revenue-sharing model for OCS CCS, so that impacted states' benefits are assured. Our foresight in future energy activities—and any revenue-generating uses of the OCS—can assist in undoing past damage. Alternatively, we can repeat past mistakes and perpetuate expensive economic reverberations.

On most days, our crisis in Louisiana is quiet. Sediment slowly sinks, and saltwater slowly eats away at vegetation sticking soil together. However, coastal erosion also promotes high-profile, costly tragedies like Hurricane Katrina. With less wetlands to diminish their energy, hurricanes and tropical storms feed off of more open waters. Hurricane Katrina, in 2005, caused $161B in total damage across the Gulf Coast. Nationwide, Katrina caused gas prices to jump roughly 45 cents in six days, according to the AAA. Then in 2021, Hurricane Ida took out around 13% of all U.S. refining capacity, and four of the nine oil refineries in Ida's path were shut down. A healthy coast mitigates hurricanes' damage to these facilities and to the homes of their employees, accelerating return to work and normalcy, and allowing energy operations to return to maximum capacity more quickly.

Investments in protection may have immediate returns on investment. For example, the $14.5B Hurricane & Storm Damage Risk Reduction System (HSDRRS), protecting our region from a 100-year surge event, has proven to be a wise investment. Even before final completion in 2022, HSDRSS passed Hurricane Ida's Category 4 test and prevented widespread flooding (and wider FEMA disaster relief payments) for approximately one million people and $170B in assets behind it. Our coastal wetlands protect HSDRSS itself, preventing damage from storms and saltwater intrusion and preserving its useful life. In the future, this system will need to be lifted in order to sustain protection, given the threat of sea level rise. In the Water Resources Development Act (WRDA) of 2022, Congress authorized these levee lifts, which would maintain 100-year level of risk reduction until 2078. Energy revenues could be used to cover the State's future cost-share commitment. Complementary flood protection projects like West Shore Lake Pontchartrain is now underway, and the St. Tammany Parish Coastal Storm and Flood Risk Management project should be authorized by Congress in WRDA 2024. Beyond these federal investments and Corps partnerships, the State of Louisiana and our local governments are prioritizing resilience internally. For example, we have adopted stronger building codes, approved $1.9B in grid hardening projects, and built living shoreline protections for HSDRSS. The latter was completed by a Jefferson Parish, made possible, in part, with energy revenues from their GOMESA distribution as a coastal political subdivision.

Despite being safer on paper, Louisianians are struggling with cost burdens—inflation and all types of insurance. Within Congress's control is the National Flood Insurance Program (NFIP). NFIP was created by Congress in 1968 as "reasonable method of sharing the risk of flood losses is through a program of flood insurance which can complement and encourage preventive and protective measures." NFIP was also intended to make "flood insurance coverage available on reasonable terms and conditions to persons who have need for such protection." However, in October 2021, FEMA used their administrative authority to implement Risk Rating 2.0, the largest change in premium calculations in the program's history. Risk Rating 2.0 contains dozens of rating factors, including "distance to coast" and "coastal erosion." Thus, communities of economic necessity due to their location, like Coastal Louisiana, are being unduly punished for their role in the American economy.

GNO, Inc., since 2013, has organized the national Coalition for Sustainable Flood Insurance (CSFI), a national alliance of approximately 800 contacts across 35 states. CSFI sees NFIP as an essential federal program that allows critical communities across our country to keep working. CSFI advocates for a reauthorized NFIP that is affordable, transparent, and accurate, and ultimately incentivizes mitigation to lessen communal risk exposure. However, the NFIP of today is largely unaffordable, inaccurate, and contradictory to the environmental and economic wellbeing of our country.

Under Risk Rating 2.0, an NFIP policy will be $1,808, which represents a 103.6% increase over legacy rates. In Lafourche Parish, where we stand today, the average premium will rise by 320.6%, from $929 to $3,909. In 41 states, rates have risen by over 50%. Since Risk Rating 2.0's implementation, NFIP participation has predictably plummeted nationwide by nearly 5%, from 4.9M to 4.66M now. Texas has lost over 130,000 policyholders, and Louisiana has lost over 60,000 policyholders. Clearly, Risk Rating 2.0 is driving out the workforce from working coasts. This means that costs will be passed on to all Americans.

CSFI believes that property-level mitigation measures, like elevating a home, or community-wide measures like building wetlands, should predictably, reliably, and

immediately influence flood insurance premiums. Currently, Louisiana's coastal investments are not clearly benefiting our policyholders. According to the Office of the Flood Insurance Advocate (OFIA), "Certain mitigation actions do not result in the same level of decreased premium rates as they did in the past because flood insurance premiums now consider more sources of flood risk." OFIA elaborates: "Policyholders, insurance agents and community officials expressed to OFIA that premiums rates do not seem to adequately reflect mitigation activities. For instance, they have indicated that they believe insufficient credit is given for certain mitigation techniques, such as elevation and adding openings to equalize the pressure of floodwater on the wall of an unfinished enclosure below an elevated building. This makes it harder for homeowners to take action to reduce their flood premiums, and harder for OFIA to advise customers of their mitigation options; a duty assigned to OFIA in its legislation. This also makes it challenging for local officials to determine the cost-benefit of mitigation funding opportunities FEMA makes available to the States and participating NFIP communities."

Regardless, Louisiana is learning to protect ourselves from storms, and our organizational focus on future energy shares this intention. Already, Louisiana produces some of the lowest carbon intensity barrels in the world. Reducing carbon intensity simultaneously mitigates the risk of intensifying hurricanes. For example, H_2theFuture is establishing a world-leading clean hydrogen cluster in South Louisiana, addressing emissions from our highest per-capital use of industrial hydrogen. The H_2theFuture Coalition includes 25 partners from across South Louisiana, led by GNO, Inc., driving linked project components, from an inclusive entrepreneurship program to carbon capture testbeds. With support of a $50M Economic Development Administration Build Back Better Regional Challenge award, and a $24.5M match from the State, H2theFuture will create jobs and economic growth, drive inclusive opportunity, and protect the environment. South Louisiana will retain its position as a global energy and industrial hub, but with up to 68% less carbon emissions (McKinsey).

Louisiana can also lead the nation in environmental management, if funded fairly. This emerging environmental expertise will only serve to advance overall energy interests. For example, the Mid-Barataria Sediment Diversion will be the largest ecosystem restoration in the nation's history. Early works construction activities are ongoing now. This diversion—primarily funded with Deepwater Horizon oil spill settlement money approved by the Trustee Implementation Group—is providing sediment to a starved basin that is due south of Downtown New Orleans and due west of Venture Global's LNG facility. Over the next 50 years, the sediment carried by the project is projected to build and sustain over 26,000 acres of wetland, which will protect nearby communities and facilities.

Federal permitting reform benefits both energy and coastal projects. Mid-Barataria Sediment Diversion is an exemplar of streamlined permitting. In 2017, the White House Federal Permitting Improvement Steering Council (FPISC) approved the Mid-Barataria Sediment Diversion for inclusion on the FAST-41 Dashboard. FAST-41 covered projects are entitled to comprehensive permitting timetables and transparent, collaborative management of those timetables on the Federal Permitting Dashboard. Louisiana believed that the inclusion of the Mid-Barataria Sediment Diversion on the FAST-41 Dashboard was a significant achievement that would significantly expedite the permitting timeline for the project, and while a major win to receive approval and coordinated support, the permitting process took a year longer than expected, reaching completion in December 2022, and critical wetlands in the Barataria Basin were lost over this time.

The Coastal Restoration and Protection Authority (CPRA), in 2017, said that "our single biggest challenge to implementation of our largest scale projects is man-made—delays from complicated and inefficient environmental review and permitting processes." Again, time and money are of the essence for Louisiana Coastal Program's success, and thus for the long-term integrity of our economies and energy facilities. Over 50 years, implementing all projects in the 2023 Coastal Master Plan could reduce risk from tropical storms and hurricanes to coastal communities to less than what the current risk level is today. To fully implement this plan, $1B per year is needed, but Louisiana's coast is heading for a fiscal cliff with the exhaustion of Deepwater Horizon funding in 2031. Much of these missing revenues may come from energy. Over the next decade, if just the cap in GOMESA is lifted via the RISEE or BREEZE Acts, Louisiana would receive $1.96B. Furthermore, there may be more creative funding sources to explore as more future energy sources come online.

We need efficient permitting, and we need sufficient funding to realize a consistent, virtuous cycle for energy and coastal projects. Thus, Congress should advance revenue-sharing legislation, invest directly in appropriations to coastal

projects, proceed with lease sales, and prioritize permitting reform for projects that could contribute to this self-sustaining coastal energy relationship. In the long-term, these improvements will reap benefits to the U.S. Treasury in the form of averted disaster costs and greater economic output.

While our coast's contributions to the nation should not be understated, they also are also important Gulf of Mexico considerations. The environmental conditions of the Gulf are uniquely tied to Louisiana. 90% of freshwater input into the Gulf comes from Louisiana. In fact, the Mississippi drains 41% of the continental United States through New Orleans. This makes for a valuable landscape and fruitful habitat, providing 26% of commercial fisheries landings, by weight, and wintering landings for more than five million migratory waterfowl. As goes Louisiana's coast, so does the integrity and productivity of the Gulf of Mexico's natural resources.

Louisiana's coast has been the largest land loss crisis in the Western Hemisphere; however, improved investment in coastal restoration and protection within our state—with the help of Congress—is an opportunity for a historic success story that epitomizes American excellence and safeguards our economies. We appreciate your care for America's working coasts, and your understanding of their economic value to all communities that you and your colleagues represent. The domestic and global energy industry especially counts on our working coast, and in hand, our coast should be a primary beneficiary of revenues from a thriving domestic energy sector, implementation of innovative energy technologies, and execution of demanded energy expansion.

QUESTIONS SUBMITTED FOR THE RECORD TO MR. MICHAEL HECHT, PRESIDENT & CEO, GREATER NEW ORLEANS, INC.

Questions Submitted by Representative Graves

Question 1. What are the real-life costs for Louisianians if coastal restoration efforts are not undertaken?

Answer. Thank you, Representative Graves, for your valuable public service to our state and our nation, and thank you for this question, "What are the real-life costs for Louisianians if coastal restoration efforts are not undertaken?" As asserted in my testimony, if our country fails to invest properly in coastal restoration within Louisiana, real-life costs will be experienced by the constituents, businesses, and economies in all districts across our country, and well beyond it.

Of course, most immediately and most disproportionately, Louisianians will face repercussions. Damage will be physical, financial, socioeconomic, and cultural. Despite the State's great strides in fortifying buildings and adopting stronger building codes, there will be damage to real property—residential, commercial, and industrial—inevitably. Damage will come from intensified winds, intensified storm surge, and intensified rainfall. Insurers and catastrophe models will deem Louisiana to be ever-riskier, and insurance costs will rise even higher, thus further disrupting personal finances of families and forcing displacement of communities due to cost alone. Public facilities, including essential public infrastructure like interstates, and government-owned property will be damaged as well, more regularly and more severely. Local and state taxes will have to be increased to cover increased maintenance and operational expenses, and then taxes per capita will rise even more with fewer residents to split the bills.

In hand, there will be less workforce availability to fill key positions at Louisiana-based operations. Considering Louisiana's critical working coastal economy, in conjunction with our uniquely imperative geopolitical positioning, our people, properties, and facilities must remain intact. Without proactive investment, restoration costs will probably primarily fall on the federal government in the form of public assistance or disaster relief supplemental appropriations. Or, entrepreneurs, workers, and consumers across the country will pay for this, as all Americans are dependent on Louisiana's resources and logistics for the fuel in their car, food on their plate, or the money in their bank.

Sadly, many of these postulated real-life costs are already real, although all costs can be reversed. For example, Louisiana is losing population. Louisiana's population decreased by 84,000 residents, or 1.8%, between 2020 and 2023, according to American Community Survey (ACS) data. Declines are partially driven by Hurricanes Zeta, Laura, and Ida. Louisiana's coast is the first line of defense against all of these hurricanes, and those to come. Cameron Parish in Southwest Louisiana was hit by 2020's Hurricane Laura, which caused more than $23.2B in

damage and 42 deaths, according to NOAA. Cameron Parish saw the country's greatest population decline of 15% since the storm. With population losses, we are losing our workforce, including employees of refineries within Louisiana, responsible for 15% of our nation's total refining capacity. Alternatively, with investments in coastal restoration, tens of thousands of direct jobs will be created, new enterprises in environmental management will be built, and all industries will be protected.

While population has declined, insurance costs have skyrocketed since 2020. When states and political subdivisions within them shrink, and when there are fewer households to share the risk, insurance can be more expensive. Now, in parts of Louisiana (and in three other states), the average homeowner has home insurance premiums greater than two percent of the value of homes (National Bureau of Economic Research). In 2023, Orleans Parish's mean property insurance premium is $5,546.06. This mean is rivaled by few markets, such as Miami, much of which is indeed beachfront.

Flood insurance premiums have spiked as well, for different reasons. In 2021, without Congressional intervention, FEMA implemented the National Flood Insurance Program (NFIP)'s largest pricing methodology change in program history. Per September 2022 FEMA data, Risk Rating 2.0 has driven flood insurance premiums up from an average of $888 to $1,808 nationally and from $813 to $1,904 in Louisiana. Some places in Louisiana are paying for abnormal consequences of their location, with "distance to coast" and "coastal erosion" as rating factors, among many others. The average premium in Plaquemines Parish will increase from $842 to $5,431. These premium increases are growing the insurance gap, with NFIP participation down by 4.89% nationally and by 12.01% in Louisiana since Risk Rating 2.0 took effect.

The 2023 Coastal Master Plan offers a solution to much of our risk and provides much more promising projections. This plan is developed and implemented by the Louisiana Coastal Protection and Restoration Authority (CPRA) and was unanimously approved by our State Legislature. The plan is a 50-year, $50B collection of 77 projects—$25B for risk reduction and $25B for restoration. This includes $11B for "nonstructural" projects like home elevations, $19B for dredging projects, and nearly $3B for generational diversion projects, like the nation's largest ecosystem restoration in the Mid-Barataria Sediment Diversion.

With full implementation, the 2023 Coastal Master Plan will achieve between 233 to 314 square miles of avoided land loss over the 50-year period. By year 50, annual expected damages will be dramatically reduced. The plan will result in $10.7B to $14.5B in annual avoided damages (in dollars) and between 10,900 and 14,500 avoided structural damages. Without plan implementation, between $15.2B and $24.3B of annual damages can be expected.

Relevant costs and savings were also articulated in the Greater New Orleans Urban Water Plan, a 2013 visionary document putting forward pilot projects across our region to better "live with water." The plan addresses stormwater, primarily, and pluvial impacts from hurricanes once they bypass our coastline. In 2013 numbers, 50-year implementation of the plan was projected to cost $6.2B and save $8B in reduced repetitive flood costs and $2.2B in reduced subsidence costs. Furthermore, property values would increase by $183M and flood insurance premiums would be lowered by $609M. There would be a regional economic impact of up to $11.3B from spurred activity in supporting industries. While full implementation of the Urban Water Plan is far away, some projects have progressed. Per the city of New Orleans, the Mirabeau Water Garden, which broke ground in 2023 at a price tag of $31M, "is anticipated to have a positive economic impact of $210M in avoiding flooding losses, business interruption and urban heat reduction." This project was made possible, in part, through energy revenue sharing to City via GOMESA, as New Orleans is a coastal political subdivision (CPS).

Without more investments into our Coastal Master Plan, Urban Water Plan, and other plans designed to mitigate hazards, Louisianians will remain vulnerable to real-life costs, property losses, and business interruption. The American economy will remain analogously exposed. Thankfully, as demonstrated by this hearing, Louisiana is generating greater federal attention to risk mitigation and proper coastal care, and energy revenues are an ever-important means to this end. Expanding federal revenues shared with and received within Louisiana can both build coastal protection and American prosperity, while relieving all associated real-life costs.

Furthermore, there are other ongoing federal initiatives and potential legislative action that could benefit pocketbooks in Louisiana and elsewhere. Grant programs like FEMA's Flood Mitigation Assistance (FMA) can cover some costs of elevating homes, which can have moderate effects on flood insurance premiums, since "first floor height" is also a rating factor. The U.S. Army Corps of Engineers (USACE) is

a strong partner in leading projects like the MRGO Ecosystem Restoration, while would finally heal a longstanding coastal scar, as well as the Lower Mississippi River Comprehensive Study, which could greatly influence sediment supply, future ecosystem restorations, and our long-term "distance to coast."

There are also new possibilities for expanded revenue-sharing, like from future projects involving carbon capture and storage in Outer Continental Shelf. NOAA and other federal arms could advance sciences and invest in resources around other developing opportunities for revenue generation, like blue carbon and a Louisiana-specific coastal carbon market, that energy and other companies could invest in. Moreover, to address insurance costs born by American workers, reform to NFIP that prioritizes flood mitigation and affordability for policyholders could immediately lower both losses and costs. Lastly, concepts like a national all-peril catastrophe insurance program, or an all-peril reinsurance backstop, could stop the skyrocketing property insurance problem and promote private sector focus on collaboratively protecting properties and environments.

Louisiana and Louisianians are on the cutting edge of future energy. We stand ready to grow this strength, and better leverage it for the wellbeing of our coastline, alongside our country's economy. We appreciate your work and the communal leadership, collaboration, and comradery of all Natural Resources Committee Members toward this mission.

Mr. WESTERMAN. Thank you, Mr. Hecht.

I now recognize Ms. Bankston for 5 minutes.

STATEMENT OF MEG BANKSTON, EXECUTIVE DIRECTOR, PARISHES ADVOCATING FOR COASTAL ENDURANCE (PACE), BATON ROUGE, LOUISIANA

Ms. BANKSTON. Chairman Westerman and distinguished members of the Committee, thank you for the opportunity to address you today on the critical role that energy production plays in Louisiana and the significance it has on our coastal communities.

My name is Meg Bankston, and I am Executive Director of Parishes Advocating for Coastal Endurance, a group of 20 coastal parishes that make up Louisiana's unique working coast, including Lafourche Parish, where this hearing is held today.

You have undoubtedly heard the statistics about the population growth and economic productivity of the United States' coastal counties and parishes, but the images of high-rise condos, sandy beaches, golf, and resorts that may spring to mind do not capture the look, feel, character, or reality of coastal Louisiana.

Our working coast is a heavily engineered system consisting of the active river deltas of the Mississippi and Atchafalaya and vast coastal wetlands and coastal plains. These landscapes sustain hard-working communities, some of the nation's most important energy and transportation resources, and living cultures like nowhere else on earth.

This special part of the Gulf Coast has been the driving force behind our country's energy dominance and security. For the past 6 years, the United States has been the largest producer of crude oil in the world, and 15 percent of that production comes from the Outer Continental Shelf of the Gulf of Mexico. Louisiana is also poised to be a vital player in the emerging American offshore wind energy industry, with many companies prepared to use their offshore expertise to support the domestic supply chain.

Not only does offshore oil and gas leasing and production in the Gulf of Mexico provide energy security for American families and businesses, but the revenues generated from this production

support conservation and resiliency efforts across the Gulf Coast and the country. A robust leasing program is essential. With the Gulf of Mexico being the backbone for American energy production, we would expect the Secretary of the Interior to create the National Outer Continental Shelf Oil and Gas Leasing Program, or the 5-Year Plan, to be as robust as our production.

While the Department of Interior has finalized a 5-Year Plan in late 2023, it has a historically low number of lease sales in the Gulf of Mexico, with only three potentially scheduled. This year, 2024, will be the first year in many decades without a single lease being offered. This shift away from a steady, reliable leasing schedule that meets the needs of industry will have many negative short-term and long-term effects, especially on communities like Lafourche Parish that are home to so many offshore workers and businesses contributing to the supply chain. Indeed, this lack of leasing causes considerable economic anxiety across the parishes of coastal Louisiana.

The Gulf of Mexico Energy Security Act, or GOMESA, is a funding stream that allows states on the Gulf Coast, and counties and parishes like the ones I represent, to invest in their own resilience. Congress authorized GOMESA in 2006, and the first substantial revenues were received locally in 2018. Through this impact assistance program, energy revenues from the Gulf of Mexico are returned to the region that makes that energy production possible. Significantly, for local government and coastal communities, a percentage of these revenues are shared directly with us.

By making this investment in our coast and our coastal parishes, the Federal Government is making a multi-benefit investment in resilience. You are ensuring a future for the valuable energy production occurring in the Gulf of Mexico; you are preserving a workforce and communities skilled in exploring and producing offshore energy; and you make possible proactive investments that reduce hurricane risk, thereby avoiding massive economic damages for the country and even larger personal disruptions for our people. And, of course, it preserves and restores the environment that underpins our culture and houses and protects it all. Simply put, GOMESA is an indispensable tool that parishes and the state use in our fight for implementing coastal restoration and protection projects for our future sustainability.

This energy production cannot occur without the hardworking people, the infrastructure, and the natural environment found along our coast. And all these essential elements are under threat from sediment starvation, sea level rise, saltwater intrusion, and subtropical storm systems. Louisiana's resilience depends on our built, natural, economic, social, and cultural environment all working together.

That commitment to holistic resilience is why I believe you are here today. Louisiana has proudly united advocates across the aisle and across sectors behind our science-based, 50-year, $50 billion Coastal Master Plan. This is our playbook for keeping our communities, environment, and economy alive against the threats of environmental risk. Since our first plan 18 years ago, we have consistently brought business, environmental groups, politicians, and

scientists together to strategize on how to expend our limited resources on coastal protection and restoration projects.

I cannot think of a more important place for this Committee to hold a hearing than in South Louisiana, and I hope while you are here you have time to visit some of the projects that are funded with GOMESA dollars, and that you get a chance to meet some of the residents who make our working coast what it is.

[The prepared statement of Ms. Bankston follows:]

PREPARED STATEMENT OF MEG BANKSTON, EXECUTIVE DIRECTOR, PARISHES ADVOCATING FOR COASTAL ENDURANCE

Chairman Westerman, and distinguished members of the committee, thank you for the opportunity to address you today on the critical role that energy production plays in Louisiana and the significance it has on our coastal communities. My name is Meg Bankston and I am the executive director of Parishes Advocating for Coastal Endurance, a group of 20 coastal parishes that make up Louisiana's unique working coast, including Lafourche Parish where this hearing is held today.

You have undoubtedly heard the statistics about the population growth and economic productivity of the United State's coastal counties and parishes, but the images of high-rise condos, sandy beaches, golf, and resorts that may spring to mind do not capture the look, feel, character, or reality of coastal Louisiana.

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This special part of the Gulf Coast has been the driving force behind our country's energy dominance and security. For the past six years, the U.S. has been the largest producer of crude oil in the world and 15% of that production comes from Outer Continental Shelf of the Gulf of Mexico. In 2023, the U.S. also exported more liquefied natural gas than any other country in the world with Louisiana's coast once again essential to that success—We are 3rd in overall natural gas production, 5th in natural gas reserves, we are home to 51% of total natural gas processing capacity, and we shipped 63% of all U.S. LNG exports.

Other types of energy are also dependent on Louisiana's coast and the businesses and workers who inhabit it. We have helped to design and build equipment and vessels for Atlantic offshore wind farms with at least 15 companies contributing to existing offshore wind projects and more than 450 companies across Louisiana who could one day provide support for that industry. By 2031 a recent report suggested that LA's export potential and procurement goals for Offshore Wind could generate more than 3,700 jobs across manufacturing, shipbuilding, installation and commissioning, and operations and maintenance.

Not only does offshore oil and gas leasing and production in the Gulf of Mexico provide energy security for the American families and businesses, but the revenues generated from this production support conservation and resiliency efforts across the Gulf Coast and the country. A robust leasing program is essential. With the Gulf of Mexico being the backbone for American energy production, we would expect the Secretary of the Interior to create the National Outer Continental Shelf Oil and Gas Leasing Program (Or the 5 Year Plan) to be as robust as our production. While the Department of Interior has finalized a 5 Year Plan in late 2023, it has historically low number of lease sales in the Gulf of Mexico, with only three potentially scheduled. This year, 2024, will be the first year in many decades without a single lease being offered. This shift away from a steady, reliable leasing schedule that meets the needs of industry will have many negative short term and long term effects, especially on communities like Lafourche Parish that are home to so many offshore workers and businesses contributing to the supply chain. Indeed, this lack of leasing causes considerable economic anxiety across the parishes of coastal Louisiana.

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counties. By making this investment in our coast and our coastal parishes, the federal government is making a multi-benefit investment in resilience. You are ensuring a future for the valuable energy production occurring in the Gulf of Mexico; you are preserving a workforce and communities skilled in exploring and producing offshore energy—skills in-demand across the globe for both traditional and renewable energy; you make possible proactive investments that reduce hurricane risk—thereby avoiding massive economic damages for the country and even larger personal disruptions for our people; and of course, it preserves and restores the environment that underpins our culture and houses and protects it all. Simply put, GOMESA is an indispensable tool that parishes and the state use in our fight for implementing coastal restoration and protection projects for our future sustainability.

This energy production cannot occur without the hardworking people, the infrastructure, and the natural environment found along our coast. And all these essential elements are under threat from sediment starvation, sea level rise, saltwater intrusion, and subtropical storm systems. Louisiana's resilience depends on our built environment, our natural environment, our economic environment, and our social and cultural environment all working together.

That commitment to holistic resilience is why I believe you are here today. Louisiana has proudly united advocates across the aisle and across sectors behind our science-based, 50-year, $50 billion coastal master plan—our playbook for keeping our communities, environment, and economy alive against the threats of environmental risk. Since our first plan 17 years ago, we have consistently brought business, environmental groups, politicians and scientists together to strategize on how to expend our limited resources on coastal protection and restoration projects that are durable and effective in both the short term and the long term.

I cannot think of a more important place for this committee to hold a hearing than South Louisiana and I hope while you are here you have time to visit some of the projects that have been constructed with GOMESA and that you get a chance to meet some of the residents who make our working coast what it is.

In the interest in providing additional insight to the Committee, I will provide additional information on the history of GOMESA, examples of GOMESA-funded projects that benefit local communities and some information on the differences between GOMESA revenue sharing and other revenue sharing programs authorized by Congress.

Appendix: GOMESA

In the wake of Hurricanes Katrina and Rita and though the efforts of our Congressional delegation, we succeeded in establishing revenue sharing for a portion of the federal oil and gas revenues derived from the Outer Continental Shelf of the Gulf of Mexico through the Gulf of Mexico Energy and Security Act of 2006, or GOMESA.

The revenue sharing in GOMESA is based on the federal policy precedent established by the revenue sharing contained in the Mineral Lands Leasing Act of 1920. The original act provided revenue sharing for roads and schools that Congress knew would be needed to support the development of minerals from federal lands located in the various states. Later the act was amended to allow the revenue sharing funds to be spent for any government purpose.

Unfortunately, GOMESA does not apply to all federal oil and gas production in the Gulf of Mexico but only about 5% of the production, and 37.5% of the revenue from that small portion of the Gulf production is shared with the four gulf coast states, not 50% as in the Mineral Lands Leasing Act—and the GOMESA revenue sharing is subject to a combined cap of $375 million as opposed to no cap on sharing in the Mineral Lands Leasing Act of 1920.

Louisianans believe this disparity of treatment is grossly unfair and they do not accept the excuse that the federal budget rules prevent greater sharing with the gulf coast states. This disparity of treatment is particularly unacceptable in light of the scientific proof that the pipeline activities across our coast—activities that are needed to bring federal OCS oil and gas ashore—have contributed to our coastal wetlands loss.

GOMESA recognizes that there is a balance to be struck between the economic and energy benefits of developing mineral resources on public lands and the environmental toll that those activities inevitably entail. Louisiana is proud to be one of the states that fuels this nation, but accessing and producing these resources has contributed to coastal impacts that jeopardize our ecosystems and populations. It should also be noted that as our coastal environments weaken the facilities and pipeline infrastructure that brings those energy resources onshore also grow more

exposed to waves, storm surge, catastrophic storms, and continued environmental degradation.

GOMESA established two phases for revenue sharing, Phase I was very limited in terms of which leases qualified for revenue sharing and only returned $36.7 million in total to all four Gulf Producing States and their 42 political subdivisions over the entire 10-year Phase I period. This $36.7 million in disbursements was from a period in which the Gulf of Mexico OCS created $68 billion in revenues for the federal treasury.

Phase II of GOMESA began in federal fiscal year 2017, and the first checks arrived to States and Coastal political subdivisions in May of 2018. Thanks to a larger geography of leases eligible for revenue sharing, Phase II has produced a significant amount of funding for the Gulf States and Political Subdivisions. Specifically, for Fiscal Year 2024, the State of Louisiana received $156,329,443 with the parishes receiving about $31 Million of those funds directly.

While this is a welcome and much needed improvement over the 0% shared before GOMESA, and the 0.07% shared during Phase I of GOMESA, we are still a long way from the 50% sharing of all revenues for inland producing states provided by the Mineral Lands Leasing Act of 1920. Additionally, the Mineral Lands Leasing Act of 1920 has no cap on the amount of federal funds that can be shared.

GOMESA is a critical funding stream for our efforts to implement the Coastal Master Plan and local projects that are consistent and complimentary to that plan. Louisiana, by constitutional amendment and adopted through a state-wide vote in 2006, has committed all GOMESA funds to CPRA's trust fund to be spent exclusively on coastal protection and restoration activities. Now that we have entered Phase II of GOMESA and our receipts from GOMESA have increased, we are able to make stronger investments in Coastal Master Plan priority projects.

One project that has been able to move forward is the construction of a permanent closure structure across Bayou Chene in St. Mary Parish. During high water events on the Atchafalaya River, backwater flooding through Bayou Chene can impact portions of five parishes in south central Louisiana. Because of this danger, Bayou Chene has been closed in an emergency fashion during the floods of 2011, 2016, and again in this historic flood year. Before coastal Louisiana was threatened by Hurricane Barry, the emergency closure at Bayou Chene held back 1–2 feet of water from entering surrounding parishes that were already being impacted by high water from other directions. When Hurricane Barry pushed additional water up Bayou Chene, the structure prevented 4.5 feet of water from entering the region protecting people, assets, and infrastructure. GOMESA allowed the state to commit $80 million for the construction of a permanent structure across Bayou Chene that can be opened and closed during emergencies rather than relying on temporary fixes.

GOMESA is also providing resources that CPRA is investing in levee systems in Terrebonne and Lafourche Parishes through a project known as "Morganza to the Gulf". Hurricane Barry brought storm surges of 9–11 feet to the Terrebonne and Lafourche areas, levels not seen since 2005 during Hurricane Rita. Thanks to state and local investment since 2005, numerous improvements have been made to the levee systems protecting these communities with dramatic effects. In 2005, Hurricane Rita resulted in the flooding of 11,000 homes. In Hurricane Barry, with a similar storm surge, only 12 homes flooded. GOMESA has allowed us to commit additional funds to further enhance the protection for this region of our coast.

Other Examples for parish GOMESA projects:

Cameron Parish

Cameron Parish Gulf Shoreline Protection Project with a cost of $12 Million. The project was constructed in 2019 and completed in 2020. These breakwaters were constructed in 3 critical stretches of local beaches (Rutherford Beach, Long Beach and Little Florida).

St. Bernard Parish

The East Bank Sediment Pipeline—Planning/Engineering and Design with a cost of $1.5M. This project included the investigation and establishment of a sediment pipeline corridor on the East Bank of the Mississippi River. The East Bank Sediment transport corridor project preliminary design and implementation plan included the necessary engineering, environmental geotechnical, economic, logistical, and land rights requirements for implementation.

Phase 3 Lake Lery Marsh Creation and Rim Restoration—Planning/Engineering and Design with a cost of $1.3 M. This project includes approximately 400 acres of marsh creation and nourishment along the northwestern quadrant of Lake Lery.

This project area is part of a much larger proposed 14,000 acres marsh creation polygon that is in the 2023 State Master Plan.

Bayou Terre aux Boeufs Ridge Restoration—Planning/Engineering and Design with a cost of $1.5M. This project includes one set of long-term interventions (ridge restoration) and one set of a near-term interventions (armoring/ shoreline protection). This project protects some of the most vulnerable reaches of the ridge that exposes the surrounding communities to storm surge.

Terrebonne Parish

Petit Caillou Pump Station—Design and Construction with a cost of $2.6M of a pump station.

Bayou Black Pump Station—Construction with a cost of ~$1M for a pump station for Bayou Black and Hanson Canal to reduce flooding in the bayou black area

Bayou Terr Lock Structure—Construction with a cost of ~$8.9 M for a lock structure for Bayou Terrebonne

Lafourche Parish

Grand Bayou Freshwater Reintroduction—Engineering and Design with a cost of $1,899,935.51. The Grand Bayou Freshwater Reintroduction project is intended to increase the flow of beneficial freshwater from the Atchafalaya River to Grand Bayou via the Gulf Intracoastal Waterway.

St. Charles Parish

Des Allemands Bulkhead Project—Construction with a cost of $3M. This project is a replacement of a sheet pile wall along Bayou Des Allemands that provides flood protection to the residents of the area.

St. John the Baptist Parish

Lake Pontchartrain Shoreline Protection—Construction with a cost of $9.5M. Since 1915, the western shore of Lake Pontchartrain has eroded at a rate of approximately 10 feet per year near the St. John the Baptist Parish/St. Charles Parish line extending the length of the shore to Tangipahoa Parish. Increased flood risk resulting from continued erosion and storm surge threatens residents and businesses of the Parish, in addition to major local, state and federal infrastructure. The Lake Pontchartrain Shoreline Protection Project will provide improved protection from these threats in the form of breakwaters to create a more resilient shoreline as an additional line of defense from these hazards.

GOMESA enables Gulf States to implement projects in areas and ways that we see fit. We can build levees where the risk is highest, not just in the location of the last flood. We can fund nature-based defenses. And we can spend to elevate homes or repair critical infrastructure directly damaged by land loss. This is a funding stream that allows for the proactive mitigation of disaster risk and reduces the necessity, and far costlier injections of federal funds after a disaster.

QUESTIONS SUBMITTED FOR THE RECORD TO MS. MEG BANKSTON, EXECUTIVE DIRECTOR, PARISHES ADVOCATING FOR COASTAL ENDURANCE (PACE)

Questions Submitted by Representative Graves

Question 1. Can you explain how Louisiana would benefit from removing the cap on GOMESA revenue?

Answer. Lifting the cap would significantly benefit Louisiana in several ways.

1. Louisiana would receive a larger share of revenue, potentially bringing in hundreds of millions of additional dollars each year. This revenue can be used for crucial state and local needs in regards to coastal restoration and protection. The state has constitutionally dedicated these funds to the CPRA Trust fund and they have very specific eligible uses.
2. More GOMESA funds would lead to increased investment in local infrastructure and environmental projects, creating jobs and boosting the economy. The enhanced ability to protect and restore the coast will benefit industries such as fishing, tourism and energy which are heavily dependent on a stable and healthy coastal environment.

3. With additional funds, the state can invest in long-term sustainability initiatives including flood protection systems as well as Marsh creation projects that help us in making the state more resilient to climate change, sea level rise, frequent storm systems and other environmental challenges.

Overall, removing the cap on GOMESA would provide Louisiana with additional resources to address both immediate need and long-term challenges benefiting our working coast economically and environmentally.

Question 2. As a representative of the 20 coastal parishes, how do parishes view the offshore energy industry? Does this impact some of the restoration initiatives parishes are currently working on?

Answer. As mentioned, Louisiana is unique in the fact that we are a working coast. The offshore energy industry are our partners in helping to sustain our working coast. The industry is not a hinderance. Without it, Louisiana would not be fueling the nation and creating jobs that go well beyond offshore energy production.

Question 3. An additional source of revenue the coastal parishes receive comes from settlement funds from the Deepwater Horizon Oil Spill, what barriers exist for parishes trying to access these dollars? How is it different from GOMESA revenue?

Answer. The parishes are able to pull down settlement funds from the Deepwater Horizon Oil Spill from Treasury. The largest barrier is the fact that this was set up as a grant program. Actually being able to pull these funds down in a timely manner, and receiving approval from them on projects and initiatives that Treasury is unfamiliar with is exhausting. While a planning effort is good, the amount of paperwork and edits to a Multi-year implementation program is strenuous and unclear. In turn, these projects end up costing more due to inefficiencies with Treasury. The GOMESA revenue that comes to the parishes is not a grant based program. The parishes receive the money directly and are able to allocate it to projects that they sit fit in a timely manner. This has worked extremely well and had cut the red tape surrounding federal funds.

Question 4. What actions have the parishes taken to get coastal restoration projects funded in the face of federal government inaction or bureaucracy?

Answer. Several actions have been taken by the parishes to get coastal restoration funded. A few parishes have taxed themselves, and allocated that specific tax to coastal restoration and protection. An example of this is Terrebonne Parish, who passed a tax specifically for a project that the USACE was not funding—"Morganza to the Gulf." Hurricane Barry brought storm surges of 9–11 feet to the Terrebonne and Lafourche areas, levels not seen since 2005 during Hurricane Rita. Thanks to state and local investment since 2005, numerous improvements have been made to the levee systems protecting these communities with dramatic effects. In 2005, Hurricane Rita resulted in the flooding of 11,000 homes. In Hurricane Barry, with a similar storm surge, only 12 homes flooded.

The state of Louisiana has invested well over $1Billion with surplus funding over the past 15 years. This funding was able to help the state set up a vast coastal program, as well as fund several projects that help in making our state and parishes more resilient.

Mr. WESTERMAN. Thank you, Ms. Bankston.

The Chair now recognizes Mr. Graham for 5 minutes.

STATEMENT OF KYLE GRAHAM, FORMER EXECUTIVE DIRECTOR, COASTAL PROTECTION AND RESTORATION AUTHORITY, ERIE, COLORADO

Mr. GRAHAM. Chairman Westerman, Congressman Graves, and Members, thank you for the opportunity to be here today.

My name is Kyle Graham. I am the former Executive Director for the Coastal Protection and Restoration Authority. The Coastal Protection and Restoration Authority, also known as the CPRA, is the entity that is responsible for coming up with the plans for the coast, deriving which projects to implement, and when and where,

as well as overseeing the implementation of those projects. It is a relatively small agency, you are talking a couple hundred folks, that I had the privilege of working with a much younger, more nimble Congressman Graves, to help develop about 15 years ago.

To put it in perspective, when I was here——

VOICE. Did you say he was nimble at one point?

Mr. GRAHAM. A little more. The back has been fused.

Mr. WESTERMAN. He is eating into your time. He is eating into your time.

[Laughter.]

Mr. GRAHAM. I was privileged to work with Congressman Graves from a couple of years post Hurricane Katrina through the BP oil spill. To put that in perspective, we had a tremendous amount going on. At the time, the coastal program was about $100 million, and that included the protection and the restoration projects. It was being delivered by a variety of different agencies. And the challenge that we had faced were to be the non-Fed sponsor for a $14.6 billion hurricane protection system around Louisiana and to kickstart what we anticipated to be about $1 billion a year in coastal restoration, with very similar resources.

At the heart of that effort was the investments that were made into the science, into the data, and into the planning program that allowed us to develop tools to evaluate not just one project but suites of projects together to determine which set of projects is best to sustain coastal Louisiana. And what we learned through all of this science is this coast can be sustained, but it has to be maintained. And there are definitely challenges.

I have great pride to be here in coastal Louisiana and to see the work that CPRA has done. To put it in perspective, over the last 17 years, that small agency has finished, not started, but finished, more than $14 billion worth of projects. In this year alone, their annual budget for this year is about $1.71 billion. So, they are churning out a tremendous amount of work, orchestrating a tremendous amount of work, with a very small team, and they are getting the work done on the ground.

But it is not without its challenges. A few things for you all to consider as you continue to do your work. First, reliable and robust funding. You have heard it from the other speakers today. GOMESA is a cornerstone of that planning effort. In addition to the master plan that the state reproduces every 6 years, the CPRA produces an annual plan. Inside that annual plan, it actually has 3-year projections of the work that is to be done, whether it is in feasibility studies, whether it is in engineering and design, construction, or operations and maintenance.

The CPRA does not do that work themselves. Some of the levy districts do that work. But most importantly, it is the private sector that is doing that work. There are a tremendous amount of skilled folks in this area that are doing the engineering and the science of this coast. They rely on those dollars to keep the machine running. Any interruption in those dollars sends ripples throughout the program, not only delaying and losing jobs but also in increase in the cost of the individual project.

So, as you are doing your work, consider how we can best smooth out the humps in GOMESA and deliver a reliable and robust funding source for that program.

Second, permitting timelines. The plan is approved as a suite of projects. They work interconnected and together. However, we are delivering them one at a time. And in so doing, the evaluators, the regulators, and the resource agencies are looking at the projects individually, and the benefits and effects of each project individually, as opposed to the collective. And oftentimes, these projects are built in a decaying landscape. That decaying landscape still has ecosystem benefits, and those individual costs have to bear the cost of not only the additional studies in these decaying landscapes but also sometimes the cost of mitigating for the loss of some of these resources.

So, we need to come up with a way that when we have these regionally adopted plans that we can permit them quickly as a plan, as opposed to those individual parts of the whole.

And finally, and probably most importantly, the management of the Mississippi River. This was a growing landscape before the river levees and the dredge regime that is currently on the river. The management of the river is arguably the greatest economic project in the history of the United States for the value that it has brought to the United States.

However, it is at the detriment of this coast. The state is applying all of its resources, everything from the BP oil spill, a tremendous amount of resources into the coast, to build projects to offset the impacts to the management of the river. They are doing things like long distance sediment pipelines that use reoccurring sediment basins into the Mississippi River, and establish corridors that are used over and over again to pump that sediment out. Or sediment diversion, which more naturally display that water out.

As we move forward, the operations of the Mississippi River should include dollars to mitigate and offset some of the impacts that are occurring here in Louisiana. That could be as simply as taking over the operations and maintenance of some of these projects that the state is building and putting into place.

The science is there. The tools have been developed. We have spent tens of millions of dollars collectively between the state and the Corps of Engineers to understand the impacts of that operation. But we have not yet come up with a way to mitigate for it.

Thank you for your time today.

[The prepared statement of Mr. Graham follows:]

PREPARED STATEMENT OF KYLE GRAHAM, FORMER EXECUTIVE DIRECTOR, LOUISIANA'S COASTAL PROTECTION AND RESTORATION AUTHORITY

Thank you for the opportunity to be with you today. My name is Kyle Graham, former Executive Director of Louisiana's Coastal Protection and Restoration Authority—the agency responsible for planning and implementing one of our country's first and most innovative coastal master planning efforts. As a current resident of Colorado, it is truly wonderful to be back in coastal Louisiana and I am grateful to have all of you here today to see this unique place for yourselves.

From some of the country's busiest ports and most productive fisheries, to diversified energy production and recreation—our "sportsman's paradise" encompasses so much more than just a beautiful landscape. Coastal Louisiana plays a strategic role in energy production and represents billions in economic stimulus each year on a global scale.

However, this invaluable asset continues to decline and is experiencing some of the fastest rates of land loss in the world. Decades of studies and analysis tell us that Coastal Louisiana can be sustained, but it must be maintained.

In the aftermath of Hurricane Katrina, the State of Louisiana took the first of many monumental steps forward in aggressively addressing our land loss problem. By creating the Louisiana Coastal Protection Restoration Authority, our leaders laid the blueprint for a coordinated and strategic effort to comprehensive coastal management. CPRA was established as the single state entity with authority to articulate a clear statement of priorities and to implement an integrated approach to protection and restoration—which is documented in Louisiana's Coastal Master Plan.

The State also prioritized allocating substantial funding to developing our Coastal Master Plan, including conducting research, gathering and analyzing data, and developing tools that better inform the types and timing of a comprehensive coastal planning effort. The Coastal Master Plan is required to be updated every six years, and relies on the extensive network of coastal monitoring stations and consistently updated modeling tools. It also is rooted in extensive stakeholder outreach, inclusive of the wide range of community members that value what coastal Louisiana has to offer. This information is used in an extensive planning process to develop the best and most cost-effective combination of projects that would lead to a stronger, more resilient, and more sustainable coast.

With an actionable plan in place, this effort has enabled Louisiana to successfully obtain funding from a wide variety of revenue sources. Over the last 17 years, the lean agency has successfully overseen the implementation and completion of more than $14 Billion in projects. In this fiscal year alone, they are authorized to spend $1.71 Billion.

Successful implementation relies on a wide variety of funding sources and strategic decision-making to leverage each dollar for maximum benefit. It's been a successful approach to date, but this approach presents some challenges:

1. Reliable and robust funding. Each year the State approves an annual spending plan that includes projected three-year schedules, based on anticipated funding and established priorities, for all active projects. The revenues from the Gulf of Mexico Energy Security Act continue to be a significant part of the State's plans. Uncertainty in currently authorized, revenue will cause project delays, disruptions in reliable jobs, halt progress on effective projects needed urgently, and increase the cost of each individual projects. Conversely, increasing that revenue stream would expedite essential project outcomes. To increase effectiveness of GOMESA and other Federal Grant Programs, the Committee should consider ways to provide consistent and reliable revenue and other securities that will minimize or offset disruptions to GOMESA funding. As I previously stated, these projects aren't just for Louisiana's benefit. Our ports represent billions in energy production, significant import and export activities, and the largest commercial fishery in the U.S. that accounts for much of our nation's seafood supply.
2. Permitting Timelines: Projects are selected as part of an comprehensive plan built so that projects work in unison, furthering the benefits of each individually. However, short-term changes to the already declining marine environment and estuaries provides the foundation for a more sustainable outlook and healthier ecosystem long-term. When fully implemented, the projects work in concert. However, regulatory and resource agencies often evaluate project permitting on an individual basis and fail to assess the comprehensive benefits and big picture of a cohesive suite of projects. Differing perspectives and unclear guidelines lead to extensive and often unnecessary reviews and project amendments which ultimately increases the time and costs to deliver each project. The Committee should consider processes to accept regionally adopted plans and define how agencies should collectively evaluate the individual projects as part of the overall plan.
3. Management of the Mississippi River: The State's Coastal Master Plan includes a suite of coastal restoration projects, the majority of which are being implemented to mitigate for lack of sediment delivery and other negative impacts associated with ongoing operations of the Mississippi River. River levees and dredging operations successfully route Mississippi River sediment through the river channel to effectively maintain a vitally important shipping channel. However, shunting the freshwater and sediment supply from the Mississippi River's deltaic plain has led to the rapid decline of Louisiana's coast. Turning a growing deltaic area into one that has lost of 2,000 square

miles since the 1930's. In response, Louisiana's Coastal Master plan calls for sediment pipelines and diversions, projects designed to mimic the natural land building processes that historically built our state, and built the land we stand on today. To maintain ongoing benefits, these projects will require future operations and maintenance funding. And just as coastal Louisiana enables industry, wildlife, transportation and more to exist in harmony, we should prioritize funding for projects that support restoration without risking other protection or transportation measures. The Committee should consider ways to offset the impacts to coastal Louisiana by paying the State for future implementation or operations of relevant coastal projects that restore and rebuild this critical landscape.

Thank you for the opportunity to testify, and I would be pleased to answer any questions you may have.

Mr. WESTERMAN. Thank you, Mr. Graham, and again, thank you to all the witnesses. We will now move to Member questions, and I will recognize myself first for 5 minutes.

Mr. Graham's opening statement and Mr. Hicks' testimony, you both talked about the results of bad energy policy, and it is easy to see some of the things that are most up front. We talked about the war in Ukraine where Putin is being funded through high energy prices. We can talk about the aggression in Israel, the Hezbollah, Hama, and the Houthis that are being funded by Iran, who is getting their money from high energy prices.

I visited many countries in Europe, and within 5 minutes they usually ask, "How can we get more U.S. LNG into our country?" I have sat down with Chancellor Scholz in Germany, and they are dependent on Russian natural gas because they have no other choices there. They also closed down a lot of nuclear power plants, but that is a different story.

We see that happening. We know that, on the other side of that bad energy policy, as has been mentioned, we are sending military equipment to Ukraine and to Israel. So, it is costing the American taxpayer really in both directions.

But there is this other issue that we are here to talk about today, about the detriment that poor energy policy, especially offshore energy policy in the Gulf, does to the environment and the coastline here in Louisiana, because that is where the funding comes from to do the restoration.

We should be having a hearing talking about how Louisiana could get a bigger portion of that revenue that is generated, because as has been mentioned, produces more energy than all the other Gulf states combined, yet gets a much smaller proportion of those revenues to go towards coastal restoration.

Assuming we can get the energy policy fixed, and we start issuing leases in the Gulf, and we are producing the cleanest energy in the world, which is good for the environment, good for the economy, Mr. Hecht, talk more about how Louisiana should be getting a higher portion of those revenues to fix the coast area here.

Mr. HECHT. Thank you, Mr. Chairman. Well, the way to think about it, or we think about it, is that there is either a virtuous or a destructive cycle. If those revenues are available and we are able to stabilize our coast, then you are going to have a Louisiana that is going to be more productive, create more energy and more jobs,

and create more security in terms of energy and food for the world. If that money is not there, then you go in the opposite direction.

When we think about the master plan that Mr. Graham referenced and the work that was done by Congressman Graves when he was with Louisiana, the most stable and dependent funding source on that is the dedication of GOMESA funds. There are some other funds that are currently being used, like the BP penalty funds, but those are going to run out. When you are talking about multi-year, billion-dollar investments you need a regular annuity, and that is what the GOMESA funds are.

So, adjusting them, getting the 37.5 percent up to 50 percent, but most significantly, raising the cap, it is a cliché, but it is an investment in the future of Louisiana and the country.

Mr. WESTERMAN. And talking about an investment in the future of the country, Ms. Bankston, I got my homeowner and auto insurance renewal a few weeks ago, and it went up 25 percent. It went up 20 percent last year. We are seeing places, like in California, because of forest fires, insurance companies are actually pulling out. You cannot even buy insurance in some of these places.

Explain in a little more detail the national impact of not having a resilient coastline in Louisiana.

Ms. BANKSTON. Thank you for that question. I think probably the biggest issue that you are seeing, and it relates back to GOMESA, is that we can put those GOMESA funds that the parishes receive back into our coast, which is almost cyclical, because we put the dollars back into our coast, we take care of our parishes, we take care of our folks that live in our parishes, and then the folks that live in our parishes also work for these oil and gas companies, so they need a safe place to stay and to live.

So, making sure that we do have a robust leasing program and that we can make sure that the economic viability is there for our parish, helps with that funding. But certainly, Risk Rating 2.0 and the insurance rates are a huge issue when we are living in coastal Louisiana, or really everywhere coastal in the United States.

But, again, making sure that funding is coming back to the state so we can reinvest it for resiliency, so when they are looking at programs like Risk Rating 2.0, they can see the investments that locals are making on our behalf to build our levees and flood walls.

Mr. WESTERMAN. Thank you, Ms. Bankston. I am over time, even though I would love to ask Mr. Graham about some of the things we have learned from a technical standpoint. Maybe we will get to more of that in the hearing.

I now want to recognize Representative Graves for 5 minutes.

Mr. GRAVES. Thank you, Mr. Chairman, and thank you all for your testimony.

Mr. Hecht, you run the big economic organization for Southeast Louisiana, the Greater New Orleans area, and a lot of partnership with the regional Chambers. A lot of people say that, look, you just need to move. Tell me what you feel when folks say things like that and what your response would be.

Mr. HECHT. I feel mad and sad. It is a kneejerk reaction, and it is profoundly ignorant of the economic and anthropological history of the world. From the beginning of mankind, we have lived near water because that is where commerce is, that is where food is.

Over 200 years ago, we bought a third of the country from Napoleon, in part because he needed the money, but mostly because we wanted the Port of New Orleans.

There is an economic and security necessity imperative of the coastal parts of America with the Port of New Orleans and the Gulf Coast arguably, statistically being the most important. That is unavoidable. And I think, unfortunately, Congressman, sometimes because of our joie de vivre, because of our culture, because of our festivals, that overshadows the fundamental reason that we have that mix of cultures, which is because we have always been a trade and commerce entrepot and a place for security.

So, I think it is just a message we have to continually remind the rest of the country that we do not live at the mouth of the river because we are crazy or louche. We do it because we are here to serve the country and the world.

Mr. GRAVES. Mr. Hecht, the reality is that if you moved out of this area, you do not have anywhere else in the country that could supplant the resources we have here. There is nowhere that could provide the energy to the country, that could provide the port, the trade that is needed for all 50 states. This area is profound in regard to its contribution to the country. As I mentioned in my opening statement, which is one of the reasons why I think so many other Members are here, wanting to know what they can do to help bring down inflation, to help provide better energy security, more affordable energy to the country.

Which brings me to my second question. Ms. Bankston, I am curious. You represent the 20 coastal parishes. People that have no clue what they are talking about often cite the fact that energy production, particularly in the offshore, is dangerous, that it is dirty, that it contributes to environmental degradation and harm. Why would your parish presidents that you represent in your organization, why would you be advocating and supporting this activity that apparently is so harmful?

Ms. BANKSTON. Simply put, this activity brings jobs and economic opportunity to our parishes and to our state. It is important to remember, like I said in my testimony, when they produce and when we receive those GOMESA funds back to the state, a portion of that goes directly to local governments.

Mr. GRAVES. And I am sorry for interrupting, but I want to get to Mr. Graham. Do you believe that energy production harms, trashes the environment? Do you believe that we do it safer, cleaner than other places?

Ms. BANKSTON. I believe that we do it safer, cleaner, and that we have the cleanest barrel of oil.

Mr. GRAVES. The parishes do. Thank you.

Mr. Graham, I am curious. A lot of folks here are hardcore fiscal conservatives. So, it is easy to look at proposed dollars that are to be invested in coastal restoration projects, or flood control, or hurricane protection and say, "Wait a minute. We can't do that. We can't afford to do that." How would you respond to those concerns?

Mr. GRAHAM. I think that is exactly why we set up the master plan the way we did. We wanted to be able to show what we could do with the dollars that are available and that it was realistic and we are able to implement it, and know what we are seeing is it

being implemented. So, for the dollars, you may recall the 2007 Master Plan was over $400 billion worth of projects. And the struggle was to determine whether it was even worth the value to be able to do that.

With the tools that have been developed here in the state, with all of the expertise, we are able to show what $50 billion, pretty much broken up into $25 billion in restoration and $25 billion in protection, what the value of that could do to the coast. And it is sustainable. It is a good value for the government.

Mr. GRAVES. Would you agree with the statement that we can either spend millions now or billions later, meaning billions in the aftermath of a disaster?

Mr. GRAHAM. Oh, we are seeing that every day. As projects are delayed, we are seeing costs go up every day. And we have seen the value of the protection system. We have seen the math of the value of doing this work today.

Mr. GRAVES. So, the fiscally conservative thing to do is make proactive investments in projects that make sense.

Last question for you. Mr. Graham, I know you have done work around the country. I look at nearly a billion dollars a year in some cases going to the Great Lakes. I see the Florida Everglades getting hundreds of millions. They do not have the connectivity, the energy, and contributions to the U.S. economy and tax, general treasury.

Do you believe that coastal Louisiana is less important, a lower priority, than some of these other large ecological restorations?

Mr. GRAHAM. Absolutely not. It is the highest priority of what I see working on.

Mr. GRAVES. Thank you. I yield back.

Mr. WESTERMAN. The gentleman's time has expired. The Chair now recognize the gentleman from Oregon, Mr. Bentz, who is a Subcommittee Chair of the Subcommittee on Water, Wildlife, and Fisheries. Mr. Bentz, you are recognized.

Mr. BENTZ. Thank you, Mr. Chair, and thank all of you for being here.

Mr. Graham, it seems like you were calling on upstream states to be more responsible for management of the river. I can't help but note that Arkansas is one of those. In fact, 13 percent, I think of the Mississippi runs right by Arkansas.

So, were you saying that when you said management of the river, as you looked up, were you saying that somehow those states, or more to the point, the nation, should be responsible for some of that which is now happening in Louisiana?

Mr. GRAHAM. More to the point, the nation. The management of the river is performed by the Army Corps of Engineers. They are the ones who are receiving the funding to do the dredging, to maintain the rivers, in most cases, not all of them. But part of that management regime, and not only sending the sediment off the cost, should be to be mitigating for the losses to coastal Louisiana.

Mr. BENTZ. It would seem to me the causation is driven, in significant part, by upstream activities, and thus those upstream states must have been called upon to do more. I am just curious about this because, of course, I am on the other side of the Continental Divide, and we are having the same conversations

when it comes to the Columbia and to other rivers, how much responsibility, if any, should upstream states have.

Mr. GRAHAM. Not something I have spent a lot of time thinking about. I have typically thought about it as a Federal Government action, and therefore the Federal Government, and of course, all the states pay into the Federal Government as well. So, it could be potential that you think about it as individual states. I know that they looked at this for hypoxia in the coast and what that is doing to coastal Louisiana. But we have not seen participation from other states into the restoration of Louisiana.

Mr. BENTZ. I think the Federal Government is probably the more likely focus point.

And while I have you, the Fiscal Responsibility Act contained some of the first changes to NEPA in 40 years, and Congressman Graves was, in significant part, the architect of those changes. You deal with permitting all the time. Have you seen any of the changes that he was able to get into that law actually take effect? There were supposed to be shorter periods of time. By the way, just so you know, what we have seen are the Biden administration's absolutely clear attempts to circumvent those really, really good changes. Is that what you have seen?

Mr. GRAHAM. The permitting timeline has not matched up with the timeline of the approval of that permitting process yet. It takes a couple of years to prepare a permit application, then a couple of years to evaluate it. It is during that evaluation when that NEPA is occurring.

I have not yet seen those efficiencies come into place, but I am very excited about several of them that are in the works. I will say that the regulatory request system that the Army Corps has put online and is starting to utilize more, I think you are going to see tremendous value in that system in getting permitting online, as well as the e-NEPA initiative that is out there, to try to get the data aligned amongst the resource agencies. Those two things, in particular, I think we are going to see tremendous benefits. Not immediately, but as those tools come online, as people are starting to use them more, I think we are going to see a lot of efficiencies out of those.

Mr. BENTZ. I hope so. It was astounding that those changes made their way into that law. More are necessary, but at least we have some, and Congressman Graves is to thank, in large part, for that.

Ms. Bankston, since I am Chair of the Water, Wildlife, and Fisheries Subcommittee, I am really interested in the benefit to the fisheries off the coast here that we were looking down upon as we did the helicopter tour earlier today. Has there been an improvement in fisheries along the coast as a result of those activities?

Ms. BANKSTON. Yes, I believe there has been an improvement, and, of course, here in Louisiana, we watched Congressman Graves push for the red snapper. But surely there has been a large improvement, especially off of our coast, with the projects that are being built.

Mr. BENTZ. And my last question actually has to do with the planning that has occurred. I guess it has been 17 years since you have started this effort. Have you had to accelerate that which you are doing by virtue of more problems with increasing water or

decreasing land levels here? As I understand it, my very brief research I did in anticipation of this hearing, I understand that land is actually subsiding here.

Ms. BANKSTON. Yes, we certainly have problems with subsidence. I can tell you that the locals and the state are working as fast as they can to get projects on the ground. You see that with our commitment to funding. Like Kyle said, about $1.7 billion for our annual plan this year, to make sure that projects are funded, moving fast, and that we are well staffed to be able to work on that.

So, I think that there is certainly an importance, and we want to expedite those projects as fast as possible.

Mr. BENTZ. Thank you for your answers to my questions. And Mr. Chair, I just want to point out that Oregon has nothing to do with the Mississippi. We are a long ways away and not upstream. Thank you. I yield back.

Mr. WESTERMAN. The gentleman's time has expired. The Chair will now recognize the gentleman from Idaho, Mr. Fulcher, for 5 minutes.

Mr. FULCHER. Thank you, Mr. Chairman, and to the panel for your testimony today, and to Congressman Graves for hosting us and coordinating a very educational tour today and a very educational experience.

I want to start with a question to Ms. Bankston, and this has been pointed out already, but I just want to focus on this for a second. The Biden administration has failed to issue its 5-Year Offshore Leasing Program. They are 2 years late. This marks the first time since 1958 that we are not going to have any offshore lease sales.

I worry about the impact on the market for that. Is that going to have a chilling effect? Are my worries substantiated? What sort of market signals does that send to those companies that are involved with this?

Ms. BANKSTON. Yes, certainly, and thank you for the question. It is a great question. Market signals determine industry interests in bidding. We, the parishes and the state, get GOMESA funds, as we have spoken about, from three sources when a lease happens. You get the funds from bonus bids, you get the funds from rents, and you get the funds from royalties of production. So, if we have a poor market outlook, those companies are not going to want to come and have a lease off the coast of Louisiana. In turn, we will not get those funds back to the state and back to the Federal Treasury.

A strong market has a very strong increased interest in the market. Higher prices lead to more revenues, more revenues lead to more coastal restoration and resiliency.

Mr. FULCHER. All right. That synchronizes with my thought process, as well. And I happen to sit on two committees, Natural Resources and Energy and Commerce, so I get a vantage point from this Administration's actions from a couple of different angles. And what has become blatantly apparent to me, and I am going to ask each of you to chime in on this in just a second, what has become blatantly clear to me is the current Administration has a bankrupt energy strategy.

Fossil fuels, we know where they are on that. They put a chilling effect on fossil fuel production. They certainly do not like nuclear. We do a lot of nuclear research in my state. They do not like that. Hydro, we have hydro in the Pacific Northwest, in my state of Idaho, but that is under fire right now with dam removal and all that type of thing. I would even argue that the way that they manage or don't manage the forest resources, biomass is not a priority. And even if you can include wind and solar, that says, OK, everybody wants wind and solar, or at least this Administration does, but they are not even supportive of that if you consider the supply chain necessary to produce the windmills and the solar cells, and whatnot. We have to import that from places like China.

So, that is the dynamic that we are looking at. This is an opportunity for you all to go on the congressional record with your message. And I would ask each of you to chime in briefly, if you would, what would you say to the Administration and others who demonize energy production in this country. I will start with Mr. Graham.

Mr. GRAHAM. I would say if we are going to be transitioning, it needs to be slow and mindful, and our actions need to be slow and mindful. We need to understand all of the unintended consequences like we are seeing with GOMESA, as we move forward.

Mr. FULCHER. OK. Ms. Bankston?

Ms. BANKSTON. I think as you are transitioning, to follow up on Mr. Graham, certainty. Certainty with the rules and regulations. Certainty with permitting. And making sure that those are streamlined and not changed by rules that come up kind of behind closed doors, and then all of a sudden are given to companies or parishes about what they need to do and what they shouldn't do. So, I think certainty.

Mr. FULCHER. OK. Thank you. Mr. Hecht?

Mr. HECHT. With the massive increases in energy demand that we are going to see globally over the next decade, an AI search takes 17 times the energy of a Google search. The only responsible strategy for our country is an all-of-the-above strategy that maintains our stable base while searching for new sources of energy.

Mr. FULCHER. Thank you for that. I am going to have one last question. I think I will direct it to Ms. Bankston. But on a related note, in my state, minerals are readily available, and Idaho is a big producer of things like silver, lead, and phosphate, all of which are used in critical things like electric systems, lead, of course, is used in batteries, phosphate for fertilizing and drilling fluids, and so on.

Is there a nexus with the oil and gas industry? Specifically, how does increased offshore oil and gas development here impact what we do with mineral production in my state? And it needs to be brief, I am sorry, because I am about out of time.

Ms. BANKSTON. No, I am going to give you a very high-level view because I can't speak to the idiosyncrasies of the minerals in your state. But I will say that oil and gas is in everything that you touch, everything that you see. So, it is important here. It is important for the nation, as we have all talked about, and that is why this hearing is here. But I also think the minerals that come out of your state are important, as well. So, having a pause on the development of possible minerals in your state and having a pause down here is really terrible effects for our country.

Mr. FULCHER. Thank you for that. Mr. Chairman, I yield back.

Mr. WESTERMAN. The gentleman's time has expired. The Chair now recognizes the gentleman from Georgia, Mr. Collins, for 5 minutes.

Mr. COLLINS. Thank you, Mr. Chairman. I think it is ironic you are going to finish up with our Georgia boys.

Mr. WESTERMAN. I did notice there are three of you.

Mr. COLLINS. Yes. Well, there is a reason why there is a majority of us up here from Georgia. We either came out here for recon or we came out here on behalf of the Georgia voters to send you all a message.

[Laughter.]

Mr. WESTERMAN. Or maybe you came somewhere where you can actually catch a red snapper.

Mr. COLLINS. Well, that could be too. We do not have a one day, I think, if that.

Like the Chairman, he has an engineering degree, and I have an engine degree. I grew up under a Mack truck, working on them. My parents hauled logs for a living, so we have a little bit in common, I think.

I kind of want to focus on a lot of different areas real quick. I am a freshman up here, but I have had the opportunity to go on a lot of hearings from different areas, either out in Mr. Bentz's area, where we are fighting over keeping four dams on the Snake River, fighting over keeping fish going up and down fish ladders that are 98.5 percent productive in doing that. But the Federal Government does not care about that, where transportation up and down those rivers is so vital that it is going to be crushed.

I have been up in Wisconsin, on Federal lands, where the Federal Government is preventing people from going hunting, after loggers have put in pretty much a major highway. Yet, they don't want people hunting, and there is a reason for that. I think I will get to that in a minute.

Even NOAA has gotten into the act, with their 10-knot rule that they are looking to impose on any vessel over 35 feet. And that is going to happen in the Gulf, as well, because of the Rice's whale. What is that going to do, not just your recreational fishing, but your large barges and your commercial ships?

And then just recently I was out on Chevron's latest oil platform. I don't know if they have it up in production yet, but it was real close. An oil production platform that is going to produce 80 percent less carbon emissions than anything in the Middle East. Man, that is freaking impressive. But yet the Federal Government is stalling them, everywhere they turn. They are not issuing any leases this year.

As a matter of fact, the DOI was sitting right about where you all are in DC when we were questioning them, saying, "Hey, we may not even do anything next year," if they hold the White House.

The water bill that we just put out in TNI, Wilson Lock and Dam up on the Tennessee River in Alabama, feeds right into the Mississippi. Two-thirds of it is crashed, crushed in. Got to break the barges apart. It is killing the economy downstream. Clearly mismanaged. Has not been managed well, obviously. Otherwise, it would be up and working.

So, I guess Mr. Hecht, I think I pronounced that right. In the South, we have Smith and Jones and that is about it, man. Can you give us an idea, what will that 10-knot rule do to the overall economy in this area if they impose it in the Gulf?

Mr. HECHT. Thank you, Congressman. Any policy like that, that puts an idea or an ideology over the practicalities of an industry is ultimately bad policy and bad politics. Now, I am not a maritime guy. I used to sail a bunch before I crashed my dad's boat and was disallowed. But I know that 10 knots is not something that is economically feasible. For example, we are now building a $2 billion new container facility, don't tell the people in Savannah, and we are going to have neo post-Panamex vessels there. I know that they go significantly above 10 knots, in order to carry goods from around the world.

So, this is stuff that might sound good in a speech, but when it comes down to the impact on people, it is not viable.

Mr. COLLINS. Amen. You can't steer those ships under 10 knots. The Baltimore bridge is proof of that.

Mr. Chairman, what I really wanted to relay is this Administration has been on a socialistic, left-wing binge for 4 years. You see it in every agency there is out there. You most recently saw it when Trump almost got assassinated, in our Secret Service. They are more focused on pushing DEI and not qualification hires by checking boxes, and that is destroying the fabric of our country. Just look at your coastline that is disappearing.

But they do not care about that. It is more important for them to make sure that they have control over every aspect of your life, whether it is where you live, whether it is your health care. It doesn't matter. They don't care what you say. They don't care what you think. They are going to push their agenda to the point where you give in and give up. And all I have to say is don't do either.

With that, Mr. Chair, I yield back.

Mr. WESTERMAN. The gentleman yields back. The Chair now recognizes the gentleman from Georgia, Mr. Carter, for 5 minutes.

Mr. CARTER. Thank you, Mr. Chairman, and thank you for allowing me to waive onto this Committee. I would certainly be remiss if I did not mention that one of my good friends in Congress has been Garret Graves, and he, of course, has announced that he is retiring, not going to be back with us. We are obviously losing a lot of institutional knowledge there and certainly wish him well. But I am going to miss my friend, at least seeing him all the time, more often, but I am sure I will continue to see him.

I have the honor and privilege of representing the entire coast of Georgia, over 100 miles of pristine coastline. We have two major seaports, the Port of Savannah, that was just mentioned, the No. 3 container port in the country; the Port of Brunswick, the No. 2 roll-in, roll-off port in the country.

We have 14 barrier islands in the state of Georgia. There are a lot of differences in the state of Georgia, in the coast of Georgia, and the coast of Louisiana, but there are a lot of similarities, as well.

We were talking earlier today about the tide swings, and we have some of the largest tide swings in the United States on the

coast of Georgia. We have an average of 7 feet, which is significant. We have a lot of marshland.

So, there are a lot of differences there, but there are a lot of similarities, as well. Some of the differences have been mentioned. You all get 77 days to fish for red snapper; we get 1 disproportionately. We won the national championship 2 out of the last 3 years; you all haven't. A lot of differences. I am just saying, there are just differences. That is all I am saying.

But nevertheless, there are a lot of similarities. Mr. Hecht, we have shrimpers in McIntosh County that I represent who depend on the ocean for their livelihood. We have recreational boaters. We have boat tours. We have protected wetlands, and I mentioned the seaports. And we understand how important they are as economic drivers. The Georgia ports are the economic engine of the Southeast United States. They really are.

And full disclosure, I have invested in this community, I have two granddaughters in Metairie and a third one on the way. I tried to warn my son about marrying a Catholic girl, but anyway, I have another one on the way, and they are precious. I am concerned. I want to see South Louisiana flourish and do well.

But tell me about the importance of maintaining coastal areas and how that drives economic growth.

Mr. HECHT. I have been able to spend a lot of time on the coast, not only because of my job but also because my wife is doing a Ph.D. studying coastal economies and the populations that live there. And when you look at the wealth that is produced in energy, in agriculture, in aquaculture, the military that is there, which is also an economic driver as well as keeping us safe, and then tourism, I am going to be going down tonight, I was just informed via text, to the Tarpon Rodeo, down in Plaquemines Parish. It is a literal and figurative wealth.

Again, I go back to my earlier point. There is a reason why humans have lived near water throughout the millennia. It is because that is where commerce happens.

So, the idea that we are crazy for living there or that we can just leave is a naïve idea, and it is a dangerous idea. And we actually have to think about it the other way. What policies can we implement to help people stay in a way that is affordable and productive, and that is what will ultimately serve the social good.

Mr. CARTER. That is good. And the funding that makes it possible, if it weren't for offshore energy development, we wouldn't have funding to make it possible. For instance, Savannah, my hometown, the largest historical district in the nation. New Orleans has a large historical district. Funds from offshore drilling and offshore energy production help support that historical development. That is very important, as well. I think you would agree.

Mr. HECHT. Yes. I mean, the staff that we use in Louisiana just relative to the general Treasury is at a $1 increase in the price of a barrel of oil equals $12 million to the Treasury. That goes towards thing like infrastructure. So, there is a very direct connection.

Mr. CARTER. Absolutely. And I want to get to this, Mr. Graham, because you mentioned it, and this is important. I serve on the Energy and Commerce Committee and I am Chair of the Environ-

mental Subcommittee. We have jurisdiction over EPA. You mentioned permitting.

As I go through this country, no matter what sector of our economy you are talking about, whether it be energy, health care, or whatever, it is always the same, permitting, regulations. They are crushing us, crushing us. You have had that experience here, I see.

Mr. GRAHAM. Yes, sir. Permitting is part of the timeline, but the more complex the project, it seems to be, the more complex the questions and the comments we get on it, and the more that folks are asked to do. And at some point, they just throw up their hands and say, "Yes, whatever it costs. Let's get this thing done."

Mr. CARTER. Or they try not to have any Federal participation at all so they can avoid the permitting, and that is impossible in many ways.

Mr. GRAHAM. And that is always the first option. Especially in the coastal areas and in the valleys where the waterways are, it is very difficult to avoid, in most cases. So, you do end up with needing to go through the permitting process.

Mr. CARTER. Well, please know that on the coast of Georgia you have a friend and someone who understands what you are going through and someone who is advocating for you and hopes that you are successful and wants to make sure you are successful.

Thank you, Mr. Chairman. I yield back.

Mr. WESTERMAN. The gentleman's time has expired. The Chair recognizes the gentleman from Georgia, Mr. Scott, for 5 minutes.

Mr. SCOTT. Thank you, Mr. Chairman. I want to piggyback on what Mr. Carter had to say about Garret Graves. I have been in office 28 years, 14 at the state, 14 at the Federal. He is one of the most diligent elected officials that I have ever worked with. And he is, in large part, the reason that there actually is a snapper season in the Gulf of Mexico that exceeds 3 days. So, as a sportsman, thank you, Garret, and I look forward to an Atlantic season that exceeds 1 day.

I do want to say this. Most organizations like the three that you represent are mission-oriented, and I think that is extremely important. And I think at the state and the local level people are able to operate in bipartisan organizations towards accomplishing a mission.

What I see in Washington, DC, now more than I have ever seen in my years in office, is an agenda that is driven by activists that put the agenda above the mission. So, I very much want to give associations like yours, and the state and local governments, more control over how the dollars are spent. And I see a grab right now in Washington, DC, for the Federal agencies to have more control, and they are agenda-driven, and that is a very dangerous thing.

We talked about the Rice's whale. We obviously have the same issues that you face in the Gulf, we face on the Atlantic with abuses of the Endangered Species Act and shutting down industry.

But I want to get back to this issue of Federal permitting. And I am going to come to you, Mr. Graham. A lot of discussion, especially with this Committee, about the permitting process. You, in 2017, I believe, were the head of the Coastal Protection and Restoration Authority. Is that correct?

Mr. GRAHAM. That is correct.

Mr. SCOTT. OK. And there was a white paper entitled, "Environmental Review and Permitting Processes: Challenges for Louisiana Coastal Programs." One of the challenges you identified is all of the permitting from the Federal agencies, and you said earlier that it takes you 2 years to put a proposal together, 2 years to evaluate, and then longer than that to even get permitted.

Could you just speak to your experience in navigating the Federal permitting process in your time leading CPRA? And there has been some discussion about streamlining it at the Federal level. Again, it still leaves the Federal Government in charge of the permitting. And I am just interested in any ideas in how streamlining could actually work, even at the Federal level.

Mr. GRAHAM. Yes. Great questions. Even going back further, my very first career in the environmental space was as a permitting agent. That is what I did, is to take complex projects, get all of the various information together and submit for those permits.

It is complicated, and there is not a rule book on it. There is not something you can just go online and figure out exactly what you have to put together and in what order. And it is typically done, or has been done, in black and whites via mail, and it takes a long time. And getting the requests back and forth, and the different amounts of fingers in the pie is very frustrating.

So, a couple of thoughts on how that process can be streamlined, and some of it we are seeing in place. I mentioned the regulatory request system that the Army Corps finally has online. This is not that huge of a deal. Louisiana has had an online permitting system for a long time. But it is a big deal when you are submitting a permit and making sure you are getting all of the information in place, in the way that it goes.

When a permitting person opens up a file, they look for the first deficit, they send you an e-mail, and then they close the file, and put it back in the bottom of the pile. It takes a tremendous amount of time in that process to get all of the right pieces of information so they can actually do a full review. So, having that request system I think is going to save a lot of that time.

The second is the resource agencies. Typically, in the 404 process, there is one regulating entity that signs the permit, and yet they are listening to all of these other resource agencies that are influencing their decision, and sometimes they are asking you to do a tremendous amount of additional things. And sometimes the comments from the different resource agencies do not align. So, empowering that regulator to stand up and actually make a decision, and make it within a timeline that is acceptable in the delivery of that project would be huge. And we are starting to see that, but we are not completely there yet.

Mr. SCOTT. Do you think it is stressed with the Corps of Engineers or do you think it is stressed with another Federal agency?

Mr. GRAHAM. Well, the Corps of Engineers is where it is right now. The trend that we are going to start seeing more and more is states starting to take over that. Michigan took over the permitting process a while ago. Florida has taken it over, but there is a recent lawsuit where now it is going back to the Federal Govern-

ment. I would encourage you to fix that. You should just allow Florida to move forward with it.

The state governments have more folks. They should be in charge of their economies. If they choose to issue those permits faster, they should be allowed to. They should be able to resource that appropriately.

Mr. SCOTT. Well, I just believe at the local level and the state level that people are much more mission-oriented and are able to work together to get things done much faster.

With that, Mr. Chairman, I have gone over 45 seconds. I appreciate your indulgence.

Mr. WESTERMAN. The gentleman's time has expired, and again, I would like to thank the witnesses for your valuable testimony and the Members for their questions. I also want to echo the sentiment of many of my colleagues, thanking Representative Graves not only for hosting us here and showing us firsthand what he is so adamant about in DC. Garret and I came in together. We serve on two committees together, and I can assure you that there is no bigger advocate for your area, and nobody more knowledgeable about the things that need to be done than Garret Graves. I don't know what the future holds for him, but I know he will be continuing to advocate for coastal Louisiana and for common-sense practices in energy and other areas.

Members of the Committee may have some additional questions for the witnesses, and we ask that you respond to those in writing. Under Committee Rule 3, members of the Committee must submit questions to the Committee Clerk by 5 p.m. on Wednesday, August 7, 2024. The hearing record will be held open for 10 business days for these responses.

If there is no further business, without objection the Committee on Natural Resources stands adjourned.

[Whereupon, at 2:17 p.m., the Subcommittee was adjourned.]

[ADDITIONAL MATERIALS SUBMITTED FOR THE RECORD]

Comment sheet submitted at the hearing

HOUSE COMMITTEE ON
NATURAL RESOURCES
CHAIRMAN BRUCE WESTERMAN

Submit Your Comments

Please submit your comments below for the House Committee on Natural Resources oversight field hearing in Yosemite National Park titled *"Rigs to Restoration: Examining Gulf Coast Restoration through Energy Production and Permitting."*

In the same way that the resources including habitat and fisheries are of utmost importance, We also request that you remember us when you can help preserve the fishing communities, the people that have been harvesting, & often helping to preserve the resource itself. We need help preserving the resource but also the coastal communities that make up part of the culture, supplying seafood, & creating traditional ecological knowledge

[redacted]

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