

Testimony of Chett Chiasson  
Executive Director  
Greater Lafouche Port Commission  
Galliano, Louisiana  
Committee on Natural Resources  
Subcommittee on Water, Power and Oceans  
Hearing on  
*Examining the Creation and Management of  
Marine Monuments and Sanctuaries*  
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Good morning Mr. Chairman and Members of the Committee. I appreciate the opportunity to appear before you today. My name is Chett Chiasson, and I am the Executive Director of the Greater Lafourche Port Commission, otherwise known as Port Fourchon. In addition to service as the Executive Director of Port Fourchon, I also serve on the Louisiana Governor's Advisory Commission for Coastal Activities, the Louisiana Coastal Protection and Restoration Authority Finance Corporation, and the Executive Board of Restore or Retreat, a regional non-profit coastal restoration advocacy group.

With this testimony, I hope to impress upon you several points: (1) the importance of robust oil and gas research and development activities in the Gulf of Mexico that contributes to the Gulf economy and our national economy, and also funds vital coastal restoration efforts, through a variety of means, such as the Gulf of Mexico Energy Security Act (GOMESA), passed by Congress in 2006; (2) the importance of commercial and recreational fishing activities to the Gulf and national economies; and (3) illustrating a successful history in Louisiana and the Gulf region of balancing economic activities such as oil and gas development and commercial fishing, with environmental protection and restoration. Indeed, from a Louisiana standpoint, the Gulf of Mexico and its adjacent wetlands is the thread that sews together our heritage, our livelihood, our recreation, and our homes, and you would be hard-pressed to find another group of Americans whose culture, character and fortunes are tied so closely to their natural environment as those of us who call South Louisiana home.

The focus of today's hearing is on the Marine Sanctuary Program. Several sanctuaries exist today in the Gulf of Mexico, and there is a current proposal from NOAA that would expand the boundaries of one existing Sanctuary, Flower Garden Banks National Marine Sanctuary, located off the coasts of Louisiana and Texas. While I would view all areas of the Gulf of Mexico as "critical" and deserving of our stewardship, Flower Garden Banks was one area in the Gulf selected in 1992, and then expanded in 1996, for designation as a Marine Sanctuary. But the key to understanding the complexity of balancing environmental protection with maintaining economic prosperity for the country is that the same reefs, bottom topographies and other aesthetic features that provide habitat for fish and other biological resources are also the very areas in which commercial and recreational fishing is most productive, and the geologic formations associated with these areas often hold fossil fuel resources buried below the seabed. And thus, at all times, government policy at the federal, state and local levels need to balance these dynamics, which admittedly and for good reason is not always an easy task.

I would be remiss in my duties as both the Executive Director of the nation's premiere energy services port and as a member of State and non-profit coastal restoration entities if I did not remind the Committee that through the contribution of Louisiana's share of offshore energy revenue produced in the Gulf of Mexico, the continued ability for oil and gas exploration and production in the Gulf will be directly funding coastal environmental restoration in Louisiana. GOMESA is currently accruing offshore revenues to be distributed to the energy-producing Gulf States, and in Louisiana, will form the most significant and sustainable stream of revenue dedicated to funding the State's ambitious 50 year, \$50 billion Coastal Master Plan. Thus, Federal actions which would restrict energy exploration and production would also limit large scale environmental restoration in areas which need it most.

By way of background, The Greater Lafourche Port Commission, a political subdivision of the state of Louisiana, facilitates the economic growth of the communities in which it operates by maximizing the flow of trade and commerce. We do this to grow our economy and preserve our environment and heritage. The Port Commission operates both the South Lafourche Leonard Miller Jr Airport and Port Fourchon, which both service the bulk of America's offshore energy industry by air, land and sea.

Port Fourchon is located on the Gulf of Mexico near the mouth of Bayou Lafourche and is the only Louisiana port directly on the Gulf of Mexico. Although 675 million barrels of domestically produced and imported crude oil per year are transported via pipelines through the Port, Port Fourchon does not itself handle any bulk oil and gas per se. Rather, we are an intermodal offshore services and supply port. More than 250 companies utilize Port Fourchon in servicing offshore rigs in the Gulf of Mexico, carrying equipment, supplies and personnel to offshore locations. In terms of service, Port Fourchon's tenants provide services to more than 90% of all deepwater rigs in the Gulf of Mexico, and roughly 45% of all shallow water rigs in the Gulf. 80% of all Gulf oil now comes from deepwater Gulf of Mexico operations. In total, Port Fourchon plays a key role in providing nearly 20% of the nation's oil supply – or one in every five barrels of oil in the country.

In a recent study conducted by Dr. Loren C. Scott, former Chair of the LSU Economics Department, of the economic impact to the nation of Port Fourchon, Dr. Scott finds that Port Fourchon accounts for nearly \$4 billion in direct economic activity each year, which includes over \$650 million in household earnings. As copy of this report is attached hereto for the record. The Port commissioned Dr. Scott to conduct this economic study as a means of documenting the importance of Port Fourchon to the Nation, in order to justify federal participation in infrastructure development at the Port, such as modernizing Louisiana Highway One, which connects the Port to the rest of the world, or for seaport security funding, or for additional hurricane protection.

A 2015 study by the Rand Corporation and Louisiana State University, [\*Economic Evaluation of Coastal Land Loss in Louisiana\*](#), placed the value of imports and exports coming and going through coastal Louisiana at over \$300 billion annually, with petroleum and chemical products forming a large portion of that activity. A copy of this report is attached hereto for the record.

According to the Loren Scott economic impact study referenced above, a 3 week shut down of LA1/Port Fourchon would cause a loss of \$11.2 billion in sales to US GDP, plus an additional \$3.2 billion in lost household earnings because 65,502 jobs would be lost nationally – for just a 3 week shutdown. While each of these reports was intended for different purposes, I share this information with the Committee to illustrate the need for continued and sustained progress in developing all of our offshore energy resources, both conventional and non-conventional. Port Fourchon is the epicenter of offshore oil and gas activities, and the companies in and around Fourchon, and their technologies and innovations developed as a result of these activities, will not only continue to sustain future offshore domestic oil and gas activities, but will foster growth in our budding offshore renewable energy industry as well.

For Port Fourchon to continue to grow and have a successful future creating jobs throughout the economy and facilitating development for our community, continued Gulf of Mexico energy exploration and development is critically important. Robust levels of exploration and development have the ability to energize oil and gas service companies', their suppliers and their suppliers' suppliers throughout the country, who are planning for future development. It facilitates critically needed investment by entities that service these offshore activities, which has a positive ripple effect throughout the national economy.

According to the economic impact study to which I alluded earlier, Port Fourchon supports over 10,800 direct jobs across the state of Louisiana. These are good paying jobs, in which someone with a high school diploma can start out making \$50,000 per year. If someone wants to work on an offshore supply vessel or tugboat company, they can start out as a deckhand and work their way up to Captain within 5 years, earning a six-figure income. The Houma-Thibodaux MSA has traditionally maintained one of the lowest unemployment rates in the country, at one point hitting as low as about 3.7%, which was well below the National average at the time. However, during the current downturn in the energy industry, our region alone has lost over 12,000 jobs, which has many in our community trying to turn to subsistence fishing, hunting and trapping at a time when those commercial fisheries catches are also declining. Actions by the Federal government to lock away productive parts of the Gulf would take even more opportunities away from already challenged sectors of our economy, and would kick these people when they are down.

The importance of our commercial fisheries industry is nationally significant, producing approximately \$300 million in revenue each year, and Louisiana accounts for one-third of all fisheries landings in the contiguous US. The forthcoming “*Comprehensive Conservation and Management Plan (CCMP)*” from the Barataria-Terrebonne National Estuary Program includes the following economic update regarding our commercial fishery along the Gulf Coast: “Louisiana’s seafood harvesting sector has been in decline for more than two decades, due primarily to price stagnation caused by an influx of imported seafood (Asche et al. 2012; Josupeit 2004; Bene et al. 2000). This competitive pressure has been compounded by rising input costs and a succession of natural and man-made disasters. Together, such factors have led to a 56 percent decline in commercial fisherman license sales in the last 25 years, with more than half of this reduction occurring in the past decade alone (LDWF 2016). The number of seafood dealers and processors in Louisiana has also been in decline, as the globalization of fisheries

commodity markets has led to downsizing, consolidation, and closure of more than half of the firms in this sector.”

The current Flower Garden Banks National Marine Sanctuary is located in the northwestern Gulf of Mexico, 70 to 115 miles off the coasts of Texas and Louisiana. The Sanctuary currently includes three separate undersea features: East Flower Garden Bank; West Flower Garden Bank; and Stetson Bank. The banks range in depth from 55 feet to nearly 500 feet, and provide a wide range of habitat conditions that support several distinct biological communities, including the northernmost coral reefs in the continental United States.

East and West Flower Garden Banks were designated a national marine sanctuary in 1992 for purposes of protecting and managing the conservation, ecological, recreational, research, education, historic and aesthetic resources and qualities of these areas. The Stetson Bank area was added to the Sanctuary by Congress in 1996.

While National Marine Sanctuary designation does allow for some uses – as long as they are compatible with primary objective of protecting resources - anchoring is prohibited. Also prohibited are shrimping, longlining, and spearfishing. Recreational and commercial hook and line fishing are allowable, but the economic opportunities presented by those limited uses nowhere near offset the economic opportunities displaced by the near sevenfold expansion of the area locked away by the proposed action. Of timely importance, when the Department of Interior announced just last week upcoming lease sales for 2017, the areas that encompass East and West Flower Garden Banks were specifically excluded, given their marine sanctuary designation.

In 2012, NOAA updated and revised the 1991 Flower Garden Banks Management Plan to address recent scientific discoveries, advancements in managing marine resources, and new resource management issues. As a result of this review, in 2015, NOAA recommended expanding the sanctuary to provide similar protections to additional banks in the north central Gulf of Mexico. After a public scoping process, NOAA proposed the expansion of the existing boundaries from 56 square miles to an area that encompasses 383 square miles of waters in the northwestern Gulf of Mexico. This alternative would add 15 additional banks ranging from 70 to 120 miles offshore. In announcing its plan, NOAA indicated that the proposed sanctuary expansion is required to provide protection to marine resources “that can most effectively be addressed through NOAA’s evaluation and implementation of the *comprehensive suite of habitat conservation and management actions* made possible by” expanding the Flower Garden Banks Sanctuary. It is worth noting that the advisory committee actually recommended a smaller expansion of the FGBNMS, Alternative 2, which would have encompassed 100 fewer square miles and 3 fewer bank areas than the Alternative which NOAA has put forward.

Whether or not the current Sanctuary requires further expansion, or other areas within the Gulf of Mexico should be under consideration for designation under the Marine Sanctuary Program is, frankly, beyond my professional and academic capabilities to render an educated opinion. However, in my occupation, on a daily basis, I am confronted with the need to continually balance economic development with environmental protection, and to live within a regime of federal, state and local laws and regulations that attempt to achieve that balance. And, at times like today, I have the ability to provide my thoughts on matters of public policy that impacts that balance of economic development and environmental protection. So to me, a key

element is for the government, in collaboration with interested communities across industry, environmental and recreational sectors, to *effectively and fairly* utilize in NOAA's words "a comprehensive suite of habitat conservation and management actions" so as to achieve an appropriate balance of goals.

With respect to developing "a comprehensive suite of habitat conservation and management actions", we would be remiss not to consider the massive and ongoing Natural Resources Damage Assessment and associated resource condition, management and conservation research and planning which has followed the tragic Deepwater Horizon oil spill incident. While the Deepwater Horizon spill event had tragic and disastrous impacts on the economy and environment of the Gulf of Mexico, it has resulted in the largest coordinated environmental assessment and comprehensive restoration and conservation planning effort in our nation's history. Over \$7 billion is being dedicated through the NRDA process to actively identify and address the health of the Gulf. The *Final Programmatic Damage Assessment and Restoration Plan and Final Programmatic Environmental Impact Statement* guiding the application of these billions of dollars of active conservation and restoration include the very deep ocean and ocean floor habitat areas that the proposed expansion of the FGBNMS would seek to lock away. Thus it seems to me that there are conservation activities much broader-based and effective underway which will have wider-ranging benefits for these deep ocean habitats than the proposed expansion of the Flower Garden Banks, with potentially fewer negative effects to industries and people who can ill afford economic restrictions on their livelihoods.

In conclusion, Port Fourchon should be seen as an example of what could happen in areas all along our coastlines, if these areas would be available for conventional and renewable energy development, balanced with appropriate environmental protection and conservation goals. Billions of dollars of investment throughout the country, low unemployment rates, high paying jobs, more revenue for our Country, and making great strides toward energy independence ... What's not to like about that!

Again Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you today, and I would be happy to answer any questions that the Committee may have.