

Testimony of Chett Chiasson
Executive Director, Greater Lafourche Port Commission
Before the
Committee on Natural Resources' Subcommittee on Energy and Mineral Resources
U.S. House of Representatives
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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.

I am pleased to appear before you today to provide testimony on the future of domestic offshore energy exploration and production. Over the past several years, I have had the pleasure of appearing before this Committee, as well as other Committees here in the House and in the Senate. Similarly, Port Fourchon has, over the years, hosted at our facilities quite a number of Members of Congress, officials from a number of Presidential Administrations, local governments across the country, US industry, and representatives of foreign governments and non-US industry as well. You see, Port Fourchon is rather unique. Our Port is located on the Gulf of Mexico, and is the only Louisiana port directly on the Gulf. Sitting between two of the most abundant estuaries in the world, the Terrebonne and Barataria Estuaries, we certainly have our share of Commercial and Recreational Fishing within our jurisdiction boundaries, however, our principal business is serving as an intermodal offshore energy supply port. We don't import and export containers, or grain, *or oil* for that matter. Rather, more than 250 companies utilize Port Fourchon in carrying *equipment, supplies and personnel* to offshore oil and gas exploration and production locations throughout the Gulf of Mexico. Port Fourchon's tenants provide services to *90 percent* of all deepwater rigs in the Gulf of Mexico, and roughly 45 percent of all shallow water rigs in the Gulf. In sum, the activities at Port Fourchon impact 20% of the nation's entire oil supply.

A study by Dr. Loren Scott, Professor Emeritus of Economics at Louisiana State University, has depicted the economic impact of Port Fourchon. What it showed was remarkable: the economic impact of the Port's activities on the Houma-Thibodaux MSA Annually is:

- **Business Sales: \$2.67 Billion**
- **Household Earnings: \$652.9 Million**
- **Jobs: 8,723**
 - **1 in every 13 jobs directly connected to Port Fourchon (Multiplier 4.6)**
 - **\$56,963 average annual wage**
- **Sales Taxes: \$12.8 Million to local government**
- **Property Taxes: \$60.4 Million (\$41.7 Million of which is from watercraft)**

For the State of Louisiana Annually:

- **Business Sales: Over \$3.3 Billion**
- **Household Earnings: \$823.3 Million**
- **Jobs: 11,512 (Multiplier 6.2)**
- **Taxes: \$46 Million to the State Treasury**

And the National effect is just as impressive. This study is only the most recent of several studies, including one conducted by the Department of Homeland Security, which demonstrates the *negative* impact on the Nation if Port Fourchon was out of service, in this instance, for a 3 week period:

- **Business Sales: \$11.2 Billion Lost**
- **Household Earnings: \$3.1 Billion Lost**
- **Jobs: 65,502 Jobs Lost**

It is for this reason that this Committee, and the others I just mentioned, often turn to Port Fourchon for insight to the workings of the domestic offshore energy industry, as well as *pointing* to Port Fourchon as a leading example of the positive economic impact to not only our local area and our state, but to the entire Nation. 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 Lease-sales are critically important. Robust lease sales 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.

But this economic activity shouldn't be confined only to certain areas within the Gulf of Mexico or Alaska. To achieve and maintain our Nation's energy security, and to enable communities across our country to benefit from this activity, the geography of offshore leasing must be expanded. And I would say not just expanded leasing for oil and gas activities, but for offshore renewable activity as well.

As an example of this point, just two weeks ago, I had officials from the Hampton Roads area of Virginia visit Port Fourchon to better understand the scope of our operations. And as I mentioned earlier, over the past few years, I have had a number of similar visits or conversations with government and industry representatives from Florida, South Carolina, and Alaska. Just as there are communities across the country that have benefited from the recent boon of *onshore* energy production, coastal communities have also been anticipating expansion of *offshore* energy

activities, welcoming the opportunity for economic benefits of increased employment, educational development, revenues and the like.

Two final points - - first, as important as current and future offshore activity is to our coastal communities, this activity is not without its *burdens* to local communities either, particularly the toll it takes on our roads and other infrastructure. There are a variety of means on the federal and state levels to address these local infrastructure needs, some more successful than others. Several years ago, the then-Minerals Management Service, in a programmatic Environmental Impact Statement on offshore leasing in the Gulf of Mexico, specifically cited the impact on Louisiana Highway One, the only road leading to and from Port Fourchon, from the yearly truck and vehicle traffic as a result of the offshore energy activity. I appreciate that these needs are but a small part of the overwhelming infrastructure needs across our Country. But what is also critical in this entire offshore leasing equation is the ability for states with energy activities off its coastline - - including in federal waters - - to be able to share in the *revenues* that are generated from energy activity on offshore federal lands. States where oil and gas production occurs on *on-shore* federal lands within the state's boundaries are entitled to considerable revenue sharing, but not so for *offshore* production. Congress has attempted to address this inequity, to varying degrees of success over the years, but the ability for local communities to fully reap the benefits of additional offshore energy activity requires parity with on-shore energy activities. With that, the State of Louisiana has dedicated revenue sharing dollars that it will receive through the Gulf of Mexico Energy Security Act (GOMESA) to Coastal Restoration, Hurricane Protection, and Infrastructure Critical to accessing the Gulf of Mexico. To take those revenue sharing provisions away now would be irresponsible.

Finally, from the standpoint of federal policy impacting offshore energy activity, whether we're speaking of federal lease-sales or federal or state regulatory oversight - - industry and local communities like ours need to have confidence that the investments made in domestic offshore energy production will not be overly impeded by governmental regulations, or inconsistent policies, and that our Nation's domestic energy policy will sustain investment of all energy types, over the long term.

Mr. Chairman and Members of the Committee, Port Fourchon operates on the premise that Industry and the Environment are not mutually exclusive, they must work together, and they do. This Port should be seen as an example of what could happen in areas along Florida's Coast, and communities along the East and West Coasts if these areas would be available for conventional and renewable energy development. Billions of dollars of investment throughout the country, low unemployment rates, high paying jobs, more revenue for our local and federal governments, and continuing strides toward energy independence ... What's not to like about that!

I appreciate the opportunity to testify before you today, and would be please to address any questions that the Committee might have. Thank You!