

**WRITTEN STATEMENT FOR THE RECORD**

**The Honorable Charlotte A. Randolph  
President, Lafourche Parish, Louisiana**

***Leveraging America’s Resources as a Revenue Generator and Job Creator***

**Before the  
Senate Energy and Natural Resources Committee**

**Washington, D.C.**

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Thank you Chair Landrieu, Ranking Member Murkowski and Members of the Committee for the opportunity to testify before you today on how parishes and counties are leveraging America’s resources as a revenue generator and job creator.

My name is Charlotte Randolph, and I am the President, or elected Chief Executive Officer, of Lafourche Parish in the state of Louisiana. Lafourche Parish serves a population of 97,029, is comprised of 1,472 square miles and is situated in south eastern Louisiana on the coast of the Gulf of Mexico.

I am also proud to represent the National Association of Counties (NACo). NACo is the only national organization that represents county governments in the United States, including Alaska’s boroughs and Louisiana’s parishes. Founded in 1935, NACo assists America’s 3,069 counties in pursuing excellence in public service to produce healthy, vibrant, safe and resilient counties. NACo promotes sound public policies, fosters county solutions and innovation, promotes intergovernmental and public-private collaboration and provides value-added services to save counties and taxpayers money.

I am here today to discuss how revenues generated from our nation’s natural resources should be shared with parishes and counties. Revenue sharing—whether for oil and gas production, timber, renewable energy, or other types of natural resources— can be an essential component of a county’s revenue stream. Whether counties are allotted revenue from natural resources may depend on state laws. Additionally, how counties can use natural resource(s) revenues can vary widely. For example, in some states, the counties must use revenues for construction and

maintenance of county roads. Other states dictate that local governments must use natural resource revenues for public schools, transportation, retirement funds and/or a county's general fund.

**My testimony will discuss three key points;**

- 1. The importance of natural resource production to Lafourche Parish, Louisiana**
- 2. Energy production significantly impacts communities and local governments**
- 3. The Federal government should proportionally share revenue generated by energy development to support of local infrastructure**

- 1. Natural resource production is critical to Lafourche Parish and Lafourche Parish is critical to natural resource production!** Domestic energy production is a major component of the economy in Lafourche Parish. It directly, and indirectly, generates tens of thousands of jobs which in turn generate millions of dollars to our local community and state. In 2013, approximately \$2.8 billion dollars alone came from the sale of new oil and gas leases in the federal waters off Louisiana's coast in the Gulf of Mexico. These areas remain the nation's primary offshore source of oil and gas, generating about 97 percent of all Outer Continental Shelf production. In fact, this makes Louisiana the second largest producer of crude oil and the second largest producer of natural gas among the 50 states.

Port Fourchon, our Lafourche Parish's port, services 90 percent of the deep water drilling structures located in the Gulf region. In fact, the port is now in the final phase of an expansion project which will more than double its size and accommodate the growing needs of the oil and gas industry.

Further, the Louisiana Offshore Oil Port (LOOP), located 14 miles off the coast near Port Fourchon, provides tanker offloading for some of the largest tankers in the world. LOOP handles 13 percent of the foreign oil and connects the nation's only deep water port to more than 50 percent of the nation's refining capacity.

Blessed with abundant natural resources, Lafourche Parish plays a pivotal role in our national energy policy.

- 2. Energy production significantly impacts communities and local governments.** In Lafourche Parish, we have benefited significantly from having so many jobs directly related to the production of oil and gas. For example, median household income in our parish (between 2008 and 2012) was 13 percent higher than the state average (\$50,573 vs \$44,673).

This is clearly a net positive for our community, but you must remember that people require services that the parish provide—including law enforcement and courts, emergency management, infrastructure maintenance and development, and environmental protection, to name just a few. While to some degree or another most counties provide these basic services, there are additional services we provide that directly relate to our natural resource industries.

Infrastructure is the prime example—counties own 45 percent of the public roads in 43 states. And in natural resources counties, we build and maintain the roads, bridges and ports that enable people to access the natural resources and get them to market—helping to ensure that our nation is globally competitive. Revenue sharing enables counties to keep these facilities in good repair and the economy moving. This is especially important for counties in rural areas. You should remember that of the nation’s 3,069 counties, 50 percent (1,542) serve counties with populations below 25,000 residents.

Louisiana Highway 1 in Lafourche Parish is a 50-year old road to LOOP, has been designated a High Priority Corridor on the National Highway System, because of its role as a “critical energy infrastructure.” It is imperative that we maintain and expand Highway 1. While we have been able to secure some state and federal funding to build a portion, we have borrowed \$175 million to complete this section. We need another \$315 million to complete the highway to this nationally significant port.

These local challenges can have national impacts. A recent economic study found that if Highway 1 were to be washed out due to a natural disaster, rebuilding the unimproved portion of the highway could take up to ninety days. This could result in a \$7.8 billion loss in the Gross Domestic Product. The same study also revealed that “a three-week disruption to Louisiana’s pipeline system would raise gasoline prices by 21.6 cents per gallon nationwide. Over a three-week period, this translates into a \$1.74 billion cost to consumers.” That is with oil at \$66 a barrel. Today’s oil price is well over \$100.

Additionally, it must be said that oil and gas activities have taken a toll on barrier islands and coastal zones, lowering coastal communities’ protection from storms, as evidenced by

Hurricanes Katrina, Gustav and Ike. Coastal parishes and counties want to take action to protect and restore valuable coastal wetlands and affected areas but simply are not able to generate sufficient resources to do so on their own.

- 3. The Federal Government should proportionally share natural resources revenue with affected parishes and counties.** Lafourche Parish and NACo strongly support responsible development of our nation's natural resources. Such development can, and does, build strong local economies while generating enormous revenues for the federal treasury. However, any economic activity requires local infrastructure which is built and maintained at the local level.

Specifically, NACo supports amending the Federal Mineral Leasing Act so that an additional five percent from the federal portion of mineral lease revenue would be returned to the county from which the mineral was extracted. NACo also supports sharing federal leasing and rights-of-way revenues from renewable energy development (wind, solar, and geothermal) and federal Stewardship Contracts on federal lands with county governments where that development and contracts occurs. In addition, NACo supports the historic 25 percent national forest revenue sharing and we encourage you to extend the Secure Rural Schools Program as a bridge to more sustainable landscape scale forest management.

In conclusion, it is critical that the federal government share natural resource development revenues proportionally with the counties that support and are affected by that development—as they are responsible for the needs of the citizens they serve.

Madam Chair, I commend you and the Committee for holding this hearing and examining the impact of how we can leverage our natural resources to generate revenue and create jobs. Counties, parishes and boroughs across the country play a key role in natural resource stewardship and development and look for your continued leadership to ensure that we have a strong federal-state-local partnership. Local communities depend on robust federal revenue sharing to help their citizens and ensure the economic viability of our nation.

As you take steps to examine existing revenue sharing programs, we look forward to working with you in the future.