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Testimony to Senate Energy and Resources Committee
By Ted Falgout, Port Director for Port Fourchon, LA

Impacts of climate change on the reliability, security, economics and design of critical energy infrastructure in coastal regions

I am Ted Falgout, Port Director of Port Fourchon, Louisiana's southern-most Port sitting on the Gulf of Mexico.

I am going to focus my testimony on a former distributary of the Mississippi River, the Bayou Lafourche Corridor, its uniqueness, vulnerability and why this rapidly eroding piece of real estate should be of great concern to all of us.

As significant as the Gulf of Mexico is to this country's energy supply, one would think its energy support infrastructure would be distributed rather widely across the Gulf Coast. This is simply not so. 80% of the oil and 87% of the natural gas comes from offshore Louisiana. And due to the expansive wetlands and uniqueness of the Mississippi River delta building process, there are only 3 corridors in all of Louisiana that allow you highway access to the Gulf.

Port Fourchon has evolved into the most significant energy support facility on the Gulf of Mexico. It services over 90% of the deepwater activity in the Gulf, 45% of the shelf activity and is the support base for LOOP, the Louisiana Offshore Oil Port, which handles 13% of the nation's foreign oil. The pipeline infrastructure that connects to 50% of the United States refining capacity runs through our Port.

At the end of the day, this remote piece of real estate plays some key role in furnishing this country with 15-18% of its total oil supply, both foreign and domestic as well as a significant part of its seafood production.

I hope I have impressed you with the significance of this corridor, now let me get to the true purpose of this hearing, Impact of Climate Change on this obvious piece of critical energy infrastructure.

The Lafourche Corridor, as a result of being one of the most recent Mississippi River delta lobes (less than 7,000 years old) is experiencing one of the highest rates of subsidence in the world. Therefore our relative sea level rise is more than twice that of most other coastal areas. With much of the southern reach of this critical corridor barely above sea level today, the need for action is immediate and if not addressed, the vulnerability of this nation's energy security will increase exponentially. A price we are paying dearly for today at the gas pump.

A recent study by renowned economist Dr. Loren Scott, determined that in 2006, over $63 Billion worth of oil and gas was tied to this port. That was at $66 barrel of oil! This year it will exceed $100 barrel of oil. He conservatively estimated a 3-week loss in services from Port Fourchon would lead to:

- A loss of almost $10 billion in sales at US firms
- A loss of $2.9 billion in household earnings
- A loss of 77,440 jobs in the nation

Just a 3 week disruption!!!
By the way, it would include an estimated 21.6 cents per gallon increase in gasoline prices nationwide.

Again, the chance of disruptions is increasing daily as coastal land loss occurs. Our greatest vulnerability exists in a 17 mile stretch of LA Highway 1 which connects the Port to the hurricane protection levee system inland. Only by elevating this highway will there be a reduction in the vulnerability of this critical piece of energy infrastructure. The good news is that we have not stood idly begging. By agreeing to make this a toll road, selling $137 million in bonds, borrowing $66 million from the federal government, and local state and federal contributions, we have amassed over $300 million and are in construction. The bad news is this is only enough money for half of the distance, so in essence we have half a bridge to energy security.

I hope in this testimony that I have been able to point out that there are some very real, very critical components of our energy infrastructure that are at huge risk today, and every day we wait to address them, our vulnerabilities not only continue, but increase as our coast and communities wash away.