

ONE to ONE

An Update on the Efforts of the LA 1 Coalition

Spring/Summer 2007

www.LA1Coalition.org • e-mail: info@LA1Coalition.org



State and federal officials, local leaders and LA 1 Coalition members "broke ground" on a six-mile section of two-lane elevated highway on April 4, only one year after construction began on a new Bayou Lafourche overpass at Leeville.

A Ground-Breaking Event

Champions of the LA 1 Improvement Project gathered at Port Fourchon in April to mark the start of construction on a two-lane elevated highway between Leeville and Fourchon.

Servicing up to 18 percent of America's domestic oil production and serving as the only evacuation route for more than 35,000 offshore workers and residents, the LA Highway 1 Corridor is a workhorse for the nation. That's a fact that isn't lost on Federal Highway Administrator Richard Capka.

"LA 1 plays an extremely important role in our nation's oil and gas supply and a sudden loss of this highway would have a significant impact on the country," he told LA 1 Coalition supporters at Port Fourchon for the LA 1 Groundbreaking Celebration on April 4. "Thank you for what you do on a daily basis to serve America's energy needs." Capka flew into New Orleans hours before the ceremony and drove along LA 1 to attend the ceremony, seeing first-hand the vulnerability of the critical highway.

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Coalition Announces 2007 Board of Directors

Qualifying LA 1 Coalition donors elected five individuals to serve on the Coalition's Board of Directors beginning in 2007. They include Lafourche Parish President *Charlotte Randolph*, T. Baker Smith's *Clifford Smith*, Greater Lafourche Port Commission Treasurer *Johnny Melancon*, and *Joseph (Joe) Picciola* of Picciola and Associates, all elected to a three-year term. *Felicia Frederick*, Political Relations Manager for Chevron USA was elected to serve the remaining year of Chevron Public Affairs Representative *Matthew Carmichael's* three-year term.

The Coalition would like to extend a special thanks to *Marco Picciola* and *Matthew Carmichael* for their years of service to the organization, and commend the newly elected board members for serving their community in this increasingly important endeavor. Congratulations!

LA 1 Coalition 2007 Board of Directors

CHAIRMAN: Ted Falgout, GLPC

Charlotte Bollinger, *Bollinger Shipyards*

Pat Brady, *SJI, Inc.*

Garret H. "Hank" Danos, *Danos & Curole Marine Contractors*

Felicia Frederick, *Chevron USA*

Joseph P. Leonard, III, *Cajun Consulting*

Walter Maples, *Sureway Supermarket*

Johnny Melancon, *GLPC*

Larry J. Picciola, P.E., *Larry J. Picciola, Inc.*

Joseph C. Picciola, III, *Picciola & Associates*

Loulan J. Pitre, Jr., *Gordon, Arata, McCollam, Duplantis & Eagan, LLP*

Charlotte Randolph, *Lafourche Parish President*

Wm. Clifford Smith, *T. Baker Smith*

Robert C. Thompson, *LOOP*

Roger T. White, III, *Edison Chouest Offshore*



A Busy Spring Provides Many Opportunities to Tell the LA 1 Story

Henri Boulet, LA 1 Coalition Executive Director

Since our last newsletter, the LA 1 Coalition has championed numerous events to build support for both state and federal funding of the LA 1 Project.

In December, we gathered a wide range of eloquent, public agency speakers to impress upon Minerals Management Service (MMS) officials the increased impacts our community is experiencing as a result of expanded drilling policies. This public hearing was another opportunity to have recent increased impacts documented on the federal record, and to strengthen our case for much-deserved federal mitigation funding. We finished the year with a sign of hope, not from MMS, but in the passage of federal royalty sharing legislation. This will ultimately be available to fund part of an elevated LA 1, since it is infrastructure directly impacted by coastal land loss.

We jumped into 2007 urging our community to comment on the CPRA's Draft Master Plan to ensure that at-grade sections of LA 1 from Golden Meadow north would receive the highest protection possible. The Coalition also played a Champion role in the development of the LA Speaks Regional Plan, which includes visions and strategies for growth in South Louisiana. You can read more about these two state initiatives in this issue of "One to One."

February brought more exciting news to our project with the Department of Natural Resources' announcement that the LA 1 Project would receive \$35.23 million from the Coastal Impact Assistance Program (CIAP). The Coalition put in substantial time in this application and public meetings to comment on the CIAP Plan, and with the help of the Lafourche Parish Council and many other agencies, it paid off.

March saw another opportunity to press MMS for impact mitigation funding as the agency accepted public comments on their Draft EIS for Lease Sale #224. While this lease area in question is actually smaller compared to other lease sales, supporters again conveyed that the cumulative impact on our highway would further stress this critical infrastructure. We also had progressive meetings with the Louisiana Department of Transportation and Development (DOTD) to begin final line and mapping work on the LA 1 Project's Phase 2 right-of-way.

On April 4, the LA 1 Coalition and DOTD hosted Groundbreaking Ceremonies for Phase 1A of the LA 1 Project, as well as a media event that same morning. Ten major media organizations were taken on helicopter tours of the LA 1 Project, Port Fourchon, and LOOP, an effort that we believe will go a long way in telling America the story of our critically significant – and vulnerable – energy infrastructure.

We have also continued to generate industry support for the Coalition, an area I really enjoy working on. Two new energy companies have joined the LA 1 Coalition – ConocoPhillips and Devon Energy. We welcome you aboard this community effort and thank you for your critically needed support!



Ground-Breaking Event

(continued from page 1)

In December, the Louisiana Department of Transportation and Development (DOTD) awarded a \$137 million contract to James Construction, LLC, for construction of a 6-mile, two-lane stretch of elevated highway between Leeville and Port Fouchon, expected to replace the existing at-grade LA 1 by the fall of 2011. Just last year, construction began on a new fixed-level Bayou Lafourche overpass at Leeville to replace the existing Leeville Bridge. That phase of the project is expected to be complete in early 2009, and combined with the two-lane highway, represents a total investment of \$362 million, including \$63 million in state funds committed this year by Governor Kathleen Blanco.

"This is a smart investment for Louisiana in terms of economic development, public safety and transportation access," Blanco said, lauding the project. "We power the nation."

The elevated highway will be constructed using a method known as top-down construction, minimizing the impact on the sensitive marsh in the construction area by eliminating the need for heavy equipment to be moved across the ground.

"I am proud that DOTD is committed to building this road in an environmentally sensitive manner," remarked DOTD Secretary Johnny Bradberry. "You have to look far and wide to find another road in this country with this much economic significance to the nation."

Also featured at the podium were Congressman Charlie Melancon, State Senator Reggie Dupre, State Representative Loulan Pitre, Jr., and Executive Director of the Greater Lafourche Port Commission Ted Falgout. Following the ceremony, the crowd was treated to boiled seafood and live music.

Thanks to our Sponsors of the
2007 LA 1 Groundbreaking Celebration:
Shell Exploration & Production
Entergy Louisiana
Offshore Towing
L & M Botruc Rental

PROJECT ENGINEERS HONORED FOR LA 1 WORK

Wilbur Smith Associates, the engineering and design team for the new LA 1 Overpass at Leeville, is a co-winner of the "2007 Transportation Excellence Award for Bridge Design Project Development," presented by the Louisiana Department of Transportation and Development. The other award recipient in that category is the "I-10 Twin Spans Bridge over Lake Pontchartrain" project. Wilbur Smith's award was announced at the Louisiana Transportation Engineering Conference in February.





Chairman's Report

-by Ted Falgout, Executive Director, Greater Lafourche Port Commission

Offshore Revenues Are Key for Highway Project

As I said at the recent Groundbreaking Ceremony, we have made incredible advances toward improving our highway connection to the Gulf, but the sobering fact remains – we are only halfway to the hurricane protection levee system. To get where we are today, we have exhausted our tolling capabilities, borrowed \$66 million from the federal government and gotten phenomenal support from our state in spite of its \$14 billion backlog in highway needs. With the next source of traditional funding—the federal highway bill—being several years away, what are our chances of continued funding success?

If I were a betting man (which I am), I would wage that the bulk of the remaining \$250 million needed to get to Golden Meadow will come from some form of Federal Offshore Revenue Sharing. As you probably know, this Coalition and I personally have long felt that this is truly the pot of money that should be paying for our highway needs. For over a decade

now, we have been building the case that LA 1 has very direct and well-documented impacts from energy activities in federal waters off of our coast. The Federal Government has not yet mitigated these documented impacts adequately, which we

“I would wage that the bulk of the remaining \$250 million needed to get to Golden Meadow will come from some form of Federal Offshore Revenue Sharing.”

must demand of them. The coastal restoration needs of this state are as tremendous as its contribution to this country's energy needs. Recently passed offshore revenue sharing legislation will go a long way toward mitigating many indirect and less quantifiable impacts, but fall short of addressing well documented direct impacts such as those felt by LA 1.

As a result of the recent state constitutional amendment dedicating offshore oil and gas revenues to the Coastal Protection and Restoration Fund, LA 1 will be eligible for funding. Working with Sen. Reggie Dupre, we were successful in including infrastructure directly impacted by coastal wetland losses (LA 1) as an eligible category in the constitutional amendment, but there are no guarantees that LA 1 will receive one dime.

We will have to remain as vigilant as ever to insure LA 1 receives its rightful share of these funds, but we must continue to “push the envelope” with the federal government until we obtain mitigative relief for direct, well-identified, quantifiable impacts on the highway. Until then, we will be subject to insufficient funding and extreme competition with very diverse needs. Hopefully, you agree that this is simply unacceptable and this country must mitigate its impacts the same way that you and I must when we propose an action.



Preliminary Estimates of Offshore Royalty Revenue Sharing for Louisiana

The amount of offshore royalty revenue to be shared with the State of Louisiana as a result of the 2006 Domenici-Landrieu Gulf Coast Energy Plan is expected to grow substantially beginning in 2017. A recently passed state constitutional amendment allows for a small portion of those revenues to be spent on critical energy infrastructure like LA 1. Several factors figure into the actual revenue that will be shared by the state, including the amount of oil and gas resources available in new OCS lease areas. Following are low and high estimates in millions of dollars for Louisiana's share of revenue, provided by sources on Capitol Hill.

<u>Year</u>	<u>La.'s Share Low Estimate</u>	<u>La.'s Share - High Estimate</u>
2007	\$41.5 million	\$106.4 million
2008	5.1	13.2
2009	4.2	10.8
2010	4.4	11.2
2011	4.5	11.6
2012	4.7	12.0
2013	5.0	12.7
2014	5.6	14.3
2015	6.7	17.2
2016	8.4	21.6
2017	228.6	586.1
2018	219.3	562.3
2019	224.6	575.9
2020	231.3	593.1
2021	238.9	612.5

Overpass Ramp Construction Visible from Highway



Summer travelers to Grand Isle will be amazed at the construction activity now taking place on the approach ramps for the future Leeville Overpass. Traylor Massman Construction Company is currently driving precast concrete pilings at three locations within the LA 1 project area, including the North Connector Ramp (pictured left).

In October 2006, the contractor completed all project embankment work at the North Connector Ramp and the South Connector Ramp, where the new overpass will end and connect with LA 1. The entire overpass structure is expected to be open to traffic in April 2009, followed by removal of the existing Leeville Bridge by July 2009. Meanwhile, Wilbur Smith Associates will soon begin the final line and mapping work for Phase 2 of the LA 1 Improvement Project, identifying the actual path of the proposed new highway from Golden Meadow to Leeville.

Coalition Demands Federal Mitigation for Industry Impacts on LA 1

Each time the U.S. Minerals Management Service (MMS) holds a public hearing on future oil and gas lease sales in the Gulf of Mexico, the LA 1 Coalition's message is the same — mitigate the land-based impacts of industry before critical infrastructure is lost forever. That message reached a new level of intensity this spring as the group demanded an answer from the federal agency on its numerous requests for federal mitigation.

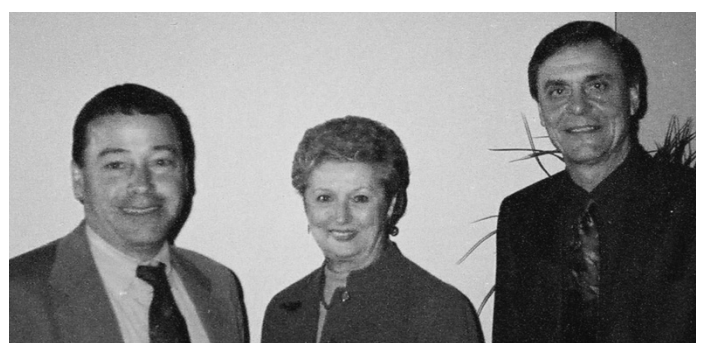
A decade ago, MMS documented the effects experienced by LA 1 from outer-continental shelf energy production in the Gulf of Mexico (GOM), such as increased large truck traffic, and projected the continued deterioration of the two-lane highway as GOM production increased and the highway became more vulnerable to flooding. However, over the years, MMS has not proposed any plans to mitigate these impacts, particularly through funding of the proposed new elevated highway, according to LA 1 Coalition Executive Director Henri Boulet. And, when local community representatives suggested a possible one-time bonus bid lease stipulation fee that could be used to fund mitigation, the idea was quickly dismissed by MMS. Boulet cited this gross inadequacy in a May 11 comment letter on the MMS's Environmental Impact Statement for the new Five-Year Lease Plan.

"Why has there not been a serious initiative to mitigate LA 1 impacts with a community that has been a long-term, vital partner to MMS growth policies, on impacts that have been recorded for years and years in numerous MMS documents?" he wrote. "...MMS has an obligation to have a reasonably complete discussion of mitigation measures that could be taken to mitigate adverse environmental consequences such as those to LA 1. The Final EIS we are discussing today lacks this discussion."

The letter goes on to say, "Ignoring the responsibility of the federal government... sends the wrong message to other communities considering OCS development off their coast. As well, it backs into a corner the governments, organizations, and citizens of the area into entertaining litigation as a means of having extremely well documented impacts to our community dealt with. We

encourage the MMS to commit the resources to deal with the impacts to LA 1 immediately."

Similar thoughts were echoed by Coalition supporters at a March public hearing in Larose on the draft EIS for a small lease sale in the eastern GOM. The Coalition will keep you posted on any responses from the MMS in future issues of "One to One."



Former MMS Director Pledged Her Support for LA 1

On February 21, LA 1 Coalition Executive Director Henri Boulet and Chairman Ted Falgout met with then-U.S. Minerals Management Service (MMS) Director Johnnie Burton (pictured center) in Washington, DC, explaining the need for federal mitigation of impacts of offshore oil and gas activity on LA 1. Burton expressed support for the Coalition's efforts and the need for Congress to fund impact mitigation, pledging to testify in favor of federal funding at a Congressional hearing should the opportunity arise. Unfortunately for the LA 1 Coalition, Burton recently resigned. However, the Coalition is committed to getting a similar pledge from the next MMS Director.

Also during the Washington trip, Boulet received an update from MMS on the long-range outlook of Gulf of Mexico energy production, and Falgout attended the MMS Annual OCS Policy Committee meeting.

Funding Sources Targeted for LA 1 Project

With a total expected cost of approximately \$1.5 billion to construct, the LA 1 Improvement Project will likely benefit from a myriad of state and federal funding sources. In February, the Coalition learned that the project will receive over \$35 million for Phase 1A (Leeville to Fourchon) construction as part of the state's Coastal Impact Assistance Program, now headed to the U.S. Minerals Management Service for approval. Here is a look at other possible sources now targeted to help fund Phases 1A and 2 (Golden Meadow to Leeville).

- **Governor Blanco's Surplus Spending Plan - \$63 million**
The Governor pledged these funds for Phase 1A at the April 4 Groundbreaking Ceremony, and the spending plan is now working its way through the State Legislature for approval.
- **Louisiana Recovery Authority - \$50 million**
The LRA has proposed allocating \$50 million to fund regional project implementation. LA 1 would qualify for funding due to its role in evacuation and hurricane recovery. Additional funding could also be available now that Louisiana's ten percent FEMA match has been waived.
- **State Capital Outlay Request - \$7 million**
This request would cover right-of-way acquisition and pipeline relocation/removal for Phase 2. The Coalition has urged the Blanco administration to move quickly this fiscal year to acquire right-of-ways in the project area to reduce the risk of having to buy out re-worked production wells once the project begins, significantly increasing costs.
- **Federal Appropriations Request - \$257 million**
Throughout the history of the LA 1 Improvement Project, annual federal appropriations have provided up to \$3.5 million in funding. This year's funding request includes \$7 million for pre-construction expenses for Phase 2 and \$250 million for actual construction.
- **Hazard Mitigation Grant Program - \$165 million**
Louisiana DOTD may apply for these federal funds to be used toward Phase 2 construction as a means of mitigating hazards and lowering the potential loss of life and property in future natural disasters.



LA 1 PROJECT INCLUDED IN COASTAL PLANS

The LA 1 Coalition took an active role in conveying the importance of LA 1 to the state and nation during the development of two coastal plans recently produced by Louisiana: the Coastal Protection and Restoration Authority's (CPRA) Master Plan and the Louisiana Speaks Regional Vision.

At a November public meeting of the CPRA, where the first draft of the Master Plan was presented, Coalition Chairman Ted Falgout urged the authority to provide the highest degree of hurricane protection possible for southern Lafourche Parish in an effort to protect LA 1 and the resources tied to Port Fourchon. "You need to protect the goose that lays the golden egg," he explained.

His voice, as well as that of the hundreds of local residents who commented on the plan, were heard. When the CPRA approved the draft plan at an April 12 meeting, Department of Natural Resources Secretary Scott Angelle instructed CPRA staff to ensure that sufficient protection be granted to the LA 1 energy corridor.

"When you take a look at Port Fourchon, we obviously need to protect that route," Angelle said. "We need to make sure that the folks who work offshore to produce the revenue that we are going to count on... live in a protected area... Being able to keep Highway 1 open and so forth (is necessary) to bring the fuel to America."

LA 1 Coalition supporters, local elected officials and business leaders also worked diligently to ensure that Lafourche Parish interests were considered in the LA Speaks Program. As a result, the entire LA 1 Project is highlighted in the program's Regional Vision as a key recovery-related transportation project. Port

Fourchon is also identified as both a Major Port Facility and a Special Economic Zone. Grand Isle is identified as a Special Economic Zone as well.

"It is important that LA 1 and enhanced hurricane protection for our region be included in any and all plans for development of coastal Louisiana," said Coalition Executive Director Henri Boulet.

"When you take a look at Port Fourchon, we obviously need to protect that route," Angelle said.

CONTRIBUTORS TO THE COALITION

As of May 31, 2007

Abdon Callais Offshore, LLC	International Boat Rentals, Inc.
Allied Shipyard, Inc.	John W. Stone Oil Dist., Inc.
Allison Marine-Fourchon, LLC	Joseph B. Caillouet, Architect
ANS Engines, Inc.	J. Wayne Plaisance, Inc.
Apache Corporation	John Plaisance & Sons, Inc.
Arrighi Simoneaux	Kevin Gros Consulting
ASCO	L & M Botruc Rentals, Inc.
Barriere Construction Co.	Lady of the Sea General Hospital
Belle Terre Erosion Control, LLC	Lafourche Parish Council
Betty Roth Hebert	Lafourche Realty Corp.
Bilco Tools, Inc.	Landry House Bed and Breakfast
Bayou Civic Club	Larry Griffin Towing
Bayou Industrial Group	Larry Picciola, Inc.
Bayou Supply & Chemical, Inc.	Louisiana Machinery Co.
Bollinger Shipyards, Inc.	Louisiana Offshore Oil Port, LLC
BP Corporation North America, Inc.	Magnum Mud Equipment Co., Inc.
Breaux Petroleum Products, Inc.	Martin Terminal, Inc.
Buquet Distributing Company, Inc.	Mid Continent Oil & Gas Association
C & G Boats, Inc.	M.I. Drilling Fluids
Caillouet Land Corporation	MONTCO Offshore, Inc.
Cajun Trucking, Inc.	Morgan City Rentals
CanDo, Inc.	Morris P. Hebert, Inc.
Capital One Bank	NEFF Rental
Chase Bank	Ocean Marine Operators, LLC
Chevron USA	Offshore Towing
Constantin Land Trust	Orgeron Properties
Coastal Commerce Bank	Picciola & Associates, Inc.
Coastal Environments, Inc.	Pointe Fourchon Homeowners Assoc.
Community Bank	Reggie Melancon
ConocoPhillips	Regions Bank
Crosby Tugs, Inc.	Ronald Adams Contractor, Inc.
Danos & Curole, Inc.	Rousse Marine, Inc.
Deepwater Port Services, Inc.	SJI, Inc.
Delmar Systems, Inc.	Seacor Marine
Delta Testing & Inspection, Inc.	South Central Industrial Association
Deramee & Allemand, LLP	Southern Guard
Devon Energy	Southern Scrap Recycling, LLC
Doucet & Adams, Inc.	South Lafourche Bank & Trust
E S & H Consulting Services, Inc.	South Lafourche Levee District
Edison Chouest Offshore, LLC	State Bank & Trust Company
Edward Wisner Donation Advisory Cmte.	Suard Barge Service, Inc.
Entergy Louisiana	Superior Shipyard Fabrications, Inc.
Francis Drilling Fluids, Ltd.	Sureway Supermarket, Inc.
Galliano Tugs	SWDI
Galliano Marine Services	T. Baker Smith & Son, Inc.
G&A Barge Rental & Construction, Inc.	Terrebonne Motor Co., Inc.
G&B Marine Transportation	Tetra Oil & Gas Services, Inc.
Grand Isle Port Commission	Theriot, Duet & Theriot, Inc.
Grand Isle Shipyard, Inc.	TOTAL E&P
Greater Lafourche Port Commission	Valentine Sugars, Inc.
Guidry Brothers Towing Co., Inc.	Venture Transport, Inc.
Halliburton Energy Services	Welch Sales and Service
Houma Armature Works and Supply	

Updated LA I Improvement Project Cost Estimates: (as of June 1, 2007)

<i>Pre/Post-Construction Phase 1</i>	<i>\$ 57.3 mill.</i>
<i>Construction Phase 1A:</i>	<i>137.5 mill.</i>
<i>Construction Phase 1B:</i>	<i>141.4 mill.</i>
<i>Construction Phase 1C:</i>	<i>20.2 mill.</i>
<i>Construction Phase 1D (toll facility)</i>	<i>4.7 mill.</i>
<i>Phase 2:</i>	<i>257.0 mill.</i>
<i>Phase 3:</i>	<i>340.0 mill.</i>
<i>Phase 4:</i>	<i>582.0 mill.</i>
<i>TOTAL: \$ 1.54 Billion</i>	

Phase 1A: Two-lane elevated highway between Leeville and Port Fourchon. Construction underway; completion anticipated in July 2011.

Phases 1 B,C & D: Two-lane overpass at Leeville, interchanges and toll facility. Construction underway; completion anticipated in February 2009.

Phase 2: Two-lane elevated highway between Golden Meadow and Leeville.

Phase 3: Four-lane at-grade highway from Larose to U.S. 90.

Phase 4: Two additional lanes from Golden Meadow to Port Fourchon & upgrades to Grand Isle.

For Your Information...

If you would like to receive additional copies of "One to One" or more information on the LA 1 Coalition, call Henri Boulet, Executive Director, at (985) 448-4485 or write to us at P.O. Box 2048-NSU, Thibodaux, LA 70310.

Our office is located on the campus of Nicholls State University in Thibodaux, LA, within the offices of the South Louisiana Economic Council.

The LA 1 Coalition is a non-profit 501(c4) corporation. Donations are not tax deductible. *Editor: Jennifer Armand*