

**Testimony to  
Senate Committee on Commerce, Science, and Transportation  
By Ted M. Falgout, Port Director of Port Fourchon, LA**

Mr. Chairman and Members of the Committee, I am Port Director of Port Fourchon, Louisiana's southern most port on the Gulf, some 60 miles due south of New Orleans. Perhaps you have never heard of this Port; it's not well known, but believe me, you should think of us every time you turn on your lights. It is by far, this nation's most significant energy port, playing a key role in support of 18% of this country's oil supply.

I have had the opportunity to testify before several committees and subcommittees over the years, and I have generally been telling the same story.

I would like to read to you a closing statement I made in July 2004 to the Subcommittee on Water Resources and the Environment of the House Committee on Transportation and Infrastructure. My closing statement of 2004 read like this: With the level of land loss that exist today, a well placed Category Four Hurricane would cause the price of gasoline to go up \$1.00, double the price of natural gas, and cause huge loss of life. This would throw this country into an immediate recession and its impacts would dwarf the costs of protection. I pray that the next time I testify it is not to say, "I told you so".

Well, now I get to say it, I told you so. What a hollow feeling!

Unfortunately, this country historically hasn't reacted until a crisis occurs. Well, we have our crisis and now is the time for action. This is an issue of national significance.

An astounding 87% of the oil and 80% of the natural gas from federal offshore waters is coming from offshore Louisiana. In addition, LOOP this nation's only offshore oil port which handles about 15% of this country's foreign oil and is connected to over 30% of the U.S.'s total refining capacity, sits just 18 miles offshore of Port Fourchon.

Much of the support infrastructure for nearly one third of this country's oil and gas supply is located in the most rapidly deteriorating and vulnerable areas of the Louisiana coast. The recent storms have further exacerbated our vulnerability to a point of crisis.

Today, over half the oil and gas production in the Gulf of Mexico remains shut-in, over 1 million bbls of oil and 5.6bcf of natural gas per day. Since August 26, 2005 over 75 million bbls of oil and 400bcf of natural gas was made unavailable to the U.S. That's almost \$10 billion of product. By the end of the year, Gulf's annual production could very well have been reduced by 25%.

We should all be very thankful that Port Fourchon did not receive a direct hit from either storm. If either had been just a few miles closer, my dire projections of 2004 would have been grossly underestimated.

I commend this Committee's actions of last week which amended the Budget Reconciliation Act, which could add \$1.2 billion to our coastal efforts. This is definitely a step in the right direction. The recent Energy Bill included a Coastal Impact Assistance provision which is a start, but fell far short of direct offshore revenue sharing that is needed. We must approach a level of sharing federal OCS revenues which is at or near that which currently exists on federal lands within a state.

We have a plan to build a sustainable coast; it must include levee protection, coastal restoration, and critical energy infrastructure support. It could have been implemented at a fraction of what these storms have cost this country.

Until this nation truly comes to the realization of what's at stake here in coastal Louisiana, and makes the proper investment to sustain it, we will most likely remain on a collision course with an unprecedented energy shortage in this country.

My greatest hope is that I do not have to return and say, "I told you so."