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Having had the opportunity to be Port Director of Port Fourchon for 31 years, and to participate in the Port's evolution from a place where mostly muskrats and mosquitoes were the main inhabitants, to what now is the most significant intermodal transfer facility for energy support in the World, has given me a perspective that I hope you will find informative.

We all know that the Gulf of Mexico has evolved into this country's premiere source of domestic oil and is a major source of natural gas as well. In the last decade, much of this has been driven by deepwater activity.

This being said, a related topic not commonly discussed is, "Will we be able to sustain the landside infrastructure and communities necessary to efficiently access and support this very significant amount of energy production, given the growing challenges that coastal areas are facing?" My prediction is that this discussion, which has only peripherally been talked about and mostly by coastal advocacy and environmental groups, will soon find itself as a common topic of concern in Board Rooms across the economic sector, Government - and even mainstream America - before too long.

The culprit that will drive this issue is climate change and the resulting sea level rise. The reason it will be such an issue to the offshore energy industry before it impacts others as severely is that the offshore energy industry is overwhelmingly being serviced out of Coastal Louisiana at this time. Coastal Louisiana will undoubtedly be the laboratory on which other coastal communities will base how they have to deal with similar situations in the future.

The main reason for Coastal Louisiana experiencing the impact of sea level rise before others is that it was created by delta building from the Mississippi River, which no longer deposits sediments upon the land. That means consolidation of land is occurring without any new accumulation to offset it. So basically, Coastal Louisiana is getting a double whammy by sinking while the sea is rising, so we are seeing a relative sea level rise of double what most other areas are experiencing. Given that much of Coastal Louisiana is barely above sea level already, the impacts here are being felt much more severely and sooner than in other coastal areas, but those impacts will eventually be experienced by all coastal areas.

This phenomenon is challenging the existence of not only the coastal ports that are essential to efficiently service the offshore oil and gas industry, but also is jeopardizing existing coastal infrastructure and the communities themselves that form the basis for support. As the sea rises and once vibrant marshes turn into open water, more and more

communities have to resort to constructing expensive levee systems to protect themselves from the encroaching sea. The cost of insuring these communities from storms is rapidly escalating, and FEMA building elevation requirements and flood insurance costs are challenging the ability for communities to sustain themselves and making it very difficult to recover from the ever-increasing devastating impacts of hurricanes.

Since Port Fourchon, sitting on the Gulf of Mexico, and the South Lafourche community, its base of support have been dealing with subsidence and sea level rise for decades, we have perhaps been the example of how to take on these challenges toward achieving sustainability. As I often say, "We were doing coastal restoration and protection well before it was cool to do it." We were taxing ourselves and building hurricane-class levee systems around the perimeter of our community before most realized their need. We used dredge material to nourish our beaches and elevate the Port. We did this because we knew it was a matter of survival in this very unique and vulnerable area, and today, the benefits of these early efforts are very evident and paying this country huge dividends in offshore royalties and revenues, seafood production and hundreds of thousands of jobs.

Additionally, when it became evident that Port Fourchon would play a large part in the development of Gulf deepwater energy operations, it was recognized that major port expansion and very expensive highway infrastructure upgrades to the Port's only access highway, LA1, would be necessary. We embarked on very aggressive programs to achieve both. In the last decade, the port has undergone major expansions, more than doubling its size. Currently, ongoing improvements to LA1 total more than $300M and are comprised of elevating the seventeen-mile stretch of at grade highway between the Port and the Hurricane Protection Levee System. Unfortunately, about half of this critical link to America's Energy Supply remains unfunded and the road's vulnerability and threat to energy disruption is increasing daily. Henri Boulet, the director of the LA 1 Coalition will brief you more fully on this very important piece of critical energy infrastructure in the public comment period.

These initial efforts and ensuing upgrades have led to a thriving South Lafourche community that supports Port Fourchon. This community support enabled the Port to develop into a facility that efficiently services 90% of the Gulf's deepwater energy activity and serves as the land base for LOOP, the Louisiana Offshore Oil Port, which handles 13% of the nation's foreign oil and an ever-growing amount of deepwater domestic oil. At the end of the day, this small peninsula sticking out into the Gulf, plays some key role in 16-18% of the nation's total oil supply and is connected by pipelines to 50% of the country's refining capacity.

It is very clear in my mind that the Gulf of Mexico will continue to be a major player in this country's energy supply well out into the future, and it is even clearer that if we are going to continue to have efficient access to these vital resources, we must address the challenge of sea level rise and its impacts to coastal communities. Many of these challenges may be beyond the capabilities of local communities and even states like Louisiana to deal with by themselves. With a restoration plan estimated to cost 50 Billion, it will be extremely difficult to achieve any level of sustainability, without

responsible development of Offshore Resources and sharing the revenues generated from these resources with the host state. If we fail to take on this challenge, the United States may find itself with substantial offshore resources but very inefficient means of accessing them and very poor coastal community structure to support this critical activity.