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STATE OF LOUISIANA
SENATE

COMMITTEES:

Natural Resources, Chairman
Judiciary A
Revenue & Fiscal Affairs
Insurance
Select Committee on Coastal
Restoration & Flood Control

September 19, 2008

The Honorable Mary Landrieu, Chairman
The Honorable Pete Domenici, Ranking Member
Ad Hoc Subcommittee on Disaster Recovery
Committee On Homeland Security and Governmental Affairs
United States Senate
Washington, D.C. 20510-6250

Dear Chairman Landrieu and Ranking Member Domenici:

Thank you for the invitation to testify at the September 23d hearing of the subcommittee.

My written statement for the official record is as follows:

- My name is Reggie P. Dupre, Jr. I am the Louisiana state senator for District 20. District 20 is located in south-central coastal Louisiana, and has the highest rate of wetlands loss of any area in the United States. I represent approximately 120,000 citizens in Lafourche and Terrebonne Parishes (counties).
- I was born and raised in this same area. Before serving in the state House of Representatives and now state Senate, I served for eight years on the Terrebonne Parish Council.
- In the last three years, Louisiana has been hit by four major hurricanes. In 2005, Hurricanes Katrina and Rita struck Louisiana within three weeks of each other. This year, within two weeks, Lafourche and Terrebonne parishes were devastated first by the winds of Gustav and then by the water of Ike, with a 9 ½ foot tidal surge inundating much of the coastal area.
- Hurricane Gustav was a direct hit upon the Lafourche/Terrebonne area, the first time since 1965 (Hurricane Betsy) that the eye of a major hurricane passed through Terrebonne

Parish. And, even though the center of Ike was over two hundred miles away, the flooding from Ike was the worst ever experienced in the area. For the first time ever tidal water covered Main Street in Houma, 35 miles from the coast. You know things are bad when the Weather Channel picks your area to send Jim Cantore for live on-the-spot hurricane broadcasts!

- Over 2,500 homes in Terrebonne Parish alone were flooded and approximately 15 thousand were impacted by Ike's storm surge. Massive power outages and rising water threatened drinking water supplies and sewer systems, causing the loss of water supply to many homes, hospitals and businesses. Mandatory evacuations were necessary. The damages were so extensive that the parishes of Terrebonne and Lafourche are now included by FEMA within the listing of major disaster areas resulting from both Hurricanes Gustav and Hurricane Ike. Damage assessments are ongoing.
- We know that we are not alone in dealing with natural disasters. From America's heartland hard-hit by floods and tornadoes to our fellow citizens on the West Coast battling wildfires and earthquakes, 2008 has been a difficult year for our nation. But I want you to know that when Louisiana's coast is devastated by a natural disaster, when Louisiana is hurting so are you.
- Lafourche and Terrebonne Parishes lie in the middle of the Louisiana energy corridor to the nation. The Louisiana energy corridor is vital to the safety, security, and well-being of our country. 26% of the nation's natural gas supply and 26% of the nation's crude oil supply is either produced in Louisiana, produced in the Louisiana OCS, or moves through Louisiana and its coastal wetlands.
- Additional facts about Louisiana's energy corridor to the nation: Louisiana is second in refining capacity in the U.S. after Texas. It has 70 natural gas processing plants that have the highest gas processing capacity in the United States, and produces 25% of the total U.S. plant capacity. The Louisiana Offshore Oil Port in Louisiana is the only deep water crude oil unloading facility capable of unloading super tankers. 2 of the nation's 4 Strategic Petroleum Reserve storage facilities are located in Louisiana. The state is home to the Henry Hub NYMEX natural gas price base and trading terminal. The Henry Hub is the largest centralized point for natural gas spot and futures trading in the United States, providing access to major markets throughout the country. The liquefied natural gas (LNG) import terminal at Lake Charles is the largest of five existing LNG import sites in the United States. The Excelerate Energy Gulf Gateway Deepwater Port/Energy Bridge, which came online in 2006, is the only offshore LNG terminal in the United States and is the first new LNG import facility constructed in more than 20 years. Over 40,000 miles of large transmission pipelines traverse the state to transport oil and gas from production centers to consumption markets throughout the country. Together with the infrastructure in the rest of the state, this production is connected to nearly 50% of the total refining capacity in the United States.

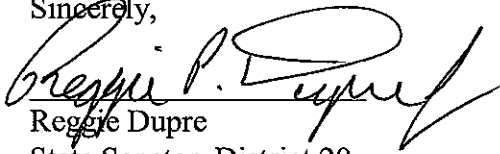
- Louisiana is also the gateway to federal OCS production. Currently (2007 data), Louisiana OCS territory produces 85.7% of the of the 17.2 billion barrels of oil and condensate, and 81% of the 165 Trillion Cubic Feet of natural gas produced in the entire U.S. OCS since the beginning of time, 89.4 %of the oil, and 73.5% of the natural gas produced in the Gulf of Mexico OCS, and 22.2% of total U.S. domestic oil, and 10.5% of total U.S. domestic natural gas production.
- Here is the simple truth. Based on its energy producing value to the nation, acre for acre, Louisiana is the most valuable real-estate in the nation. But people tend to forget how small Louisiana and this vital energy corridor really is. From the Texas border to the Mississippi line, the coastline of Louisiana is less than 400 miles. For this reason, even catastrophes in Louisiana that are localized in immediate impact can have enormous consequences for the rest of the country.
- For example, just look at gas prices at the pump. Three years ago Hurricane Katrina caused about a \$1.00 spike in gas prices. My district includes the only land access to the Port of Fourchon on the gulf, a major deepwater port. This access is by a single highway, Louisiana Highway 1. It has been estimated that catastrophic destruction of Port Fourchon could cause a long-term \$2.00 spike in gas prices.
- Since Congress is considering opening up new OCS areas for oil and gas production in an effort to provide stability for energy markets, it would seem to make just as much sense (if not more so) for it to first protect vital resources of existing production and distribution such as the Louisiana energy corridor and its facilities.
- I also need to point out that hurricanes Gustav and Ike devastated important nearby barrier islands, which are critical to the protection of the coastline and inland from storm surges. In less than two weeks, almost half of our barrier islands were destroyed. Given the importance of Louisiana energy's corridor to the nation, any decrease in our efforts or means of protecting the energy corridor will have direct consequences for the rest of the nation.
- In terms of lessons to be learned from what went right and what went wrong, the old adage is always true. The best way to recover from a disaster is to prevent it from happening in the first place. The second best way to recover from a disaster is to take steps in advance to minimize its impact if you can't prevent it. Cleanup and recovery are, in the long run, almost always more costly than prevention.
- In terms of what went right, I should point out the improvements over hurricanes Katrina and Rita. FEMA and Corps officials were embedded in my area early to work with local and state officials. At the state and local level, evacuations and matters such as traffic contraflow also generally succeeded. The conducting of necessary search and rescue operations should also be commended. A major success was implementation at the

parish level of the unified command structure developed after September 11 and implemented at the state level after hurricanes Katrina and Rita.

- In terms of lessons to be learned, I have said before and must repeat that the actions of the Army Corps of Engineers, although well-intentioned, have for my area created a tremendous problem. As a result of Hurricane Katrina, the Corps is now overreacting on design standards that cannot be met at the state and local level for levee protection. In my belief, any levee is better than no levee. Following Hurricanes Katrina and Rita, in 2006 the Louisiana congressional delegation was successful in getting \$30 million for nonfederal levees in Terrebonne Parish included in congressional appropriations. However, instead of being provided as a block grant where it could be immediately put to use, it was sent to the Corps, who proceeded to do yet another study rather than take immediate and necessary action. Over two years later and not one penny has been spent on construction!
- My request is simple. Give us the money and let us use it to protect ourselves and the nation's energy corridor. Give my part of the state the same consideration that was given New Orleans after Hurricane Katrina. Give us 100% federal funding for our approved federal hurricane protection projects, such as Morganza to the Gulf.
- We want federal oversight, not federal involvement. Help us help ourselves and you. We have already done our part in Louisiana. The people of Terrebonne and south Lafourche have taxed and tolled themselves for levee projects. Our state government responded promptly after Hurricanes Katrina and Rita. In 2005 and 2006, I authored state legislation, including an amendment to our state constitution which was overwhelmingly approved by our citizens, that mandated the development of a state master plan for hurricane protection and coastal restoration, and dedicated a large state revenue stream, including OCS revenue, for this purpose.
- What we want from the federal government is not a handout, but a helping hand. We have already done the work at the state level. The energy corridor that we protect, and where we live and work, serves the needs of nation, not just Louisiana. Federal funding for levee projects and projects such as the Morganza to the Gulf is not a giveaway but an investment in the nation's energy future. Given the stock market these days, it is one of the best and safest investments around.
- As my friend and levee guru, Windell Curole, says, "Elevation is the salvation from inundation."

Thank you again for the opportunity to testify at this important hearing. I look forward to any questions by the subcommittee.

Sincerely,



Reggie Dupre
State Senator, District 20