

NEWS OCTOBER 21, 2015

BP funds denied for project to elevate Louisiana highway to oil and gas port

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Associated Press

BATON ROUGE -- BP settlement funds meant for ecological restoration won't be diverted to finish a \$350 million project to elevate a highway to connect the mainland with a key oil and gas port at the edge of the Gulf of Mexico -- something environmental groups and even gubernatorial candidates have railed against.

On Wednesday, the Coastal Protection and Restoration Authority, a panel which oversees coastal matters in south Louisiana, voted instead to look at using another source of money for the La. Highway 1 bridge and leave the BP PLC settlement funds alone.

In the weeks leading up to Wednesday's meeting, several national environmental groups, candidates running for governor and members of the CPRA board warned against allowing the BP funds to be used for the bridge. Environmental groups even paid for newspaper advertising to denounce the idea.

Gov. Bobby Jindal had proposed diverting surplus money but the matter was tabled at the CPRA's September meeting. Louisiana expects to receive about \$8.7 billion in settlement money over damages caused by BP's catastrophic 2010 Gulf oil spill.

"I fully recognize this has been a contentious issue," said Chip Kline, the governor's executive assistant and chairman of the CPRA board, in announcing the compromise.

The compromise entails allowing up to 10 percent of funds Louisiana is due to receive in 2017 from offshore revenues -- funds that now go to the federal government -- to be spent on infrastructure projects such as elevating La. Highway 1.

Louisiana expects to receive about \$140 million a year in offshore revenues, as stipulated by the Gulf of Mexico Energy Security Act passed in 2006 to reward Gulf states for their support of oil and gas drilling in the Gulf.

The deal apparently ends a fight -- for now at least -- over whether BP funds could be diverted to finishing a project to build an elevated highway from Port Fourchon to Golden Meadow.

Port Fourchon is a major oil and gas port for the offshore drilling industry, but the old highway that had connected the port to the mainland is threatened by land loss and flooding.

To avoid interruptions to the busy port's activities, a portion of the highway has been elevated. But 8.8 miles of the project remain to be built and Jindal wanted to use surplus BP funds to complete the work.

"It is a critical piece of coastal infrastructure that needs to be elevated," Kline said. "It is a piece of infrastructure that literally supports the fueling of this nation."

Kline said the compromise ensures that the bridge will get funded.

"The resiliency of coastal Louisiana is about ensuring coastal Louisiana remains a working coast, that it remains an economic engine that supports multi-billion-dollar industries," Kline said.

He echoed a sentiment expressed with near unanimity by speakers, including representatives of environmental groups, at the CPRA board meeting, held in a committee room of the state Capitol in Baton Rouge.

Louisiana has long been criticized by policy makers outside the state for paying lip-service to the idea of restoring Louisiana's tattered coast. The state loses about 17 square miles of coast a year.

Wednesday's deal showed that's not the case, one CPRA board member said. "We're sending a message to the rest of the country that we're doing the right thing," said state Sen. Dan W. "Blade" Morrish, R-Jennings.

Still, not everyone agreed with that assessment.

Scott Eustis with the Gulf Restoration Network, a New Orleans-based environmental group, said using the offshore revenue funds for infrastructure works sets a bad precedent and takes funds away from coastal restoration.

"We do fear this opens up the floodgates and takes money away from coastal restoration," he said. "Louisiana has been compromised off the map ... I ask you not to compromise us off the map anymore."



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