

Testimony of Chett Chiasson
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Greater Lafouche Port Commission
Galliano, Louisiana
Subcommittee on Energy and Mineral Resources
Committee on Natural Resources
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Good afternoon Mr. Chairman and Members of the Subcommittee. I appreciate the opportunity to appear before you today. My name is Chett Chiasson, and I am the Executive Director of the Greater Lafourche Port Commission, otherwise known as Port Fourchon. In addition to service as the Executive Director of Port Fourchon, I also serve on the Louisiana Governor's Advisory Commission for Coastal Activities, the Louisiana Coastal Protection and Restoration Authority Finance Corporation and the Executive Board of Restore or Retreat, a regional non-profit coastal restoration advocacy group.

With this testimony, I hope to impress upon you several points: the importance of oil and gas exploration and development activities in the Central and Western Gulf of Mexico that contribute to the Gulf economy and our national economy, and also funds vital coastal restoration efforts, such as the Gulf of Mexico GOMESA program, and more recently as a result of the passage of the Great American Outdoors Act, offshore energy activities in the Gulf now provide funding for the Land and Water Conservation Fund. Similarly, I wish to stress the importance of commercial and recreational fishing and other recreational activities in coastal Louisiana to our local and national economies. Finally, I wish to impress upon you a successful history in Louisiana and the Gulf region of balancing economic activities such as oil and gas development and commercial fishing, with environmental protection and restoration. Indeed, from a Louisiana standpoint, the Gulf of Mexico and its adjacent wetlands is the thread that sews together our heritage, our livelihood, our recreation, and our homes, and you would be hard-pressed to find another group of Americans whose culture, character and livelihood are tied so closely to their natural environment as those of us who call South Louisiana home.

Port Fourchon is located on the Gulf of Mexico near the mouth of Bayou Lafourche and is the only Louisiana port directly on the Gulf of Mexico. Although 675 million barrels of domestically produced and imported crude oil per year are transported via pipelines through or near the Port, Port Fourchon does not itself handle any bulk oil and gas per se. Rather, we are an intermodal offshore services and supply port. More than 250 companies utilize Port Fourchon in servicing offshore rigs in the Gulf of Mexico, carrying equipment, supplies and personnel to offshore locations. In terms of service, Port Fourchon's tenants provide services to virtually all deepwater exploration and production assets in the Gulf of Mexico, and roughly half of all shallow water facilities in the Gulf. 80% of all Gulf oil now comes from deepwater Gulf of Mexico operations. In total, Port Fourchon plays a key role in providing nearly 20% of the nation's oil supply – or one in every five barrels of oil in the country. Translating that to economic impact, offshore oil and gas activities produce 345,000 U.S. jobs, \$28.6 billion in Gross Domestic Product impact, more than \$5 billion annually in government revenues, and, as I referenced earlier, will produce \$353 million in GOMESA funding and \$1 billion in funding for the Land and Water Conservation Fund.

For Port Fourchon to have a successful future continuing to create jobs throughout the economy and facilitating development for our community, continued Gulf of Mexico energy exploration and development is critically important. Robust levels of exploration and development have the ability to energize oil and gas service companies, their suppliers and their suppliers' suppliers throughout the country, who are planning for future development. It facilitates critically needed investment by entities that service these offshore activities, which has a positive ripple effect throughout the national economy. Equally as important in today's world, the offshore exploration, development and service industries that have been involved in hydrocarbon production have already transitioned into offshore renewable energy activities. More than ten years ago, offshore service companies located at Port Fourchon began building vessels designed to participate in offshore wind turbine installation in the Northeast and Mid-Atlantic coast. Currently, Edison Chouest Offshore has vessels under construction designed to participate in offshore renewable development. Indeed, it is the expertise that has been developed in the offshore oil and gas industry over the past 70 years – with technology that continues to be developed every year, which serves as the foundation for the growing offshore renewable energy industry.

Like many communities throughout the country, we here in South Louisiana face many difficult challenges, including coastal land loss, coastal storms and hurricanes, and fluctuating energy prices, yet we always manage to rise to the occasion, often times with the assistance of private sector businesses, other communities throughout the country, and from the state and federal governments. The COVID pandemic is the most recent challenge to us. Yet what is fascinating, and fortunate in some respects, is that our Port and the industry that we service was deemed “essential” by the federal government, and we remained open in order to meet the energy needs of the Nation. For sure, our community and businesses have been significantly impacted by the pandemic, but have remained steadfast, continuing to persevere as best we can due to the essential nature of our industry. So perhaps our biggest challenge, our greatest concern, is a National energy policy and hasty federal government action that fails to realize the tremendous benefit to our Nation brought by offshore oil and gas activity, the contribution to our every day lives in terms of the goods we consume, and the financial security to communities throughout the country that participate in oil and gas development. Thus, at all times, government policy at the federal, state and local levels need to balance these dynamics, which admittedly and for good reason is not always an easy task.

We understand that there is and will continue to be a transition more towards renewable energy to meet our Nation's energy needs. We in South Louisiana embrace that. But such a transition must be smart, calculated, reasonable and realistic. We stand ready to participate. Our community in South Louisiana and similar communities along the Gulf Coast thrive on offshore energy development. It would be a tragic mistake by the federal government to precipitously restrict offshore development and bring with it certain economic decline to our region, and the loss of potential economic gains in communities elsewhere in the Country.

In conclusion, Port Fourchon should be seen as an example of what could happen in areas all along our coastlines, if these areas would be available for conventional and renewable energy development, balanced with appropriate environmental protection and conservation goals. Billions of dollars of investment throughout the country, low unemployment rates, high paying jobs, more revenue for our Country, and making great strides toward energy independence.

Again Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to appear before you today, and I would be happy to answer any questions that you may have.