La. community enjoys economic rewards that come with drilling

BYLINE: Rick Jervis

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BAYOU LAFOURCHE, La. -- Driving along this long finger of water connecting the mainland with the Gulf of Mexico, an occasional Spanish villa-style mansion appears among the wooden bait shacks and tugboat docks.

The tony homes are proof of the economic boom this Cajun fishing community has experienced since the 1970s, when oil and gas companies began moving into Port Fourchon at the southern tip of the bayou.

While other areas of the country have fought coastal drilling, the port and Lafourche Parish embraced the industry and used oil money to fend off environmental impacts, port director Ted Falgout, 57, says. "It's worth the investment," he says. "It'll help us in our ultimate challenge -- survival."

Environmentalists have battled the industry and the port over the impact of offshore drilling, which includes oil spills, toxic contaminants from drilling fluids and the destruction of wetlands to build canals and pipelines. In 2000, the Louisiana Environmental Action Network and the Gulf Coast Mariners Association sued the U.S. Army Corps of Engineers, alleging that the corps was permitting Port Fourchon's expansion without provisions to replace wetlands. The two sides settled in 2002.

"Every time Port Fourchon expands, given where they are, they're going to have a larger footprint on our wetlands," says Aaron Viles, campaign director for the Gulf Restoration Network. "While they've been responsible on coastal restoration efforts, you can't discount the fact that they build in wetlands."

The risks of having an oil port embedded in wetlands became evident during Hurricane Katrina. A pipeline burst during the storm. It spilled more than 53,000 gallons of crude oil into the surrounding marshes -- one of the bigger spills caused by the hurricane, says Roland Guidry, the state's oil spill coordinator.
Oil speculators have targeted Louisiana since the 1920s and began drilling offshore in 1947. Faced with that history, Falgout, a marine biologist by training, set out to fix the problems in Port Fourchon, located about 100 miles southwest of New Orleans. The port's annual budget grew from $200,000 in 1978 to $65 million today, Falgout says. The parish's unemployment rate last year was 2.4% -- half the national average at the time.

The boom of the mid-1990s created a new breed of Cajun millionaires in Lafourche, as companies began servicing and selling parts to oil rigs. "In this community, if a person doesn't work, it's because he doesn't want to work," says Golden Meadow Mayor Joey Bouziga, who also manages a slip at the port.

The revenue from leasing slips to oil and gas companies -- about $16 million a year -- also pays to help fight natural coastal erosion, Falgout says.

Without oil money, the southern half of Bayou Lafourche would be at risk of being swallowed by the Gulf, he says. "We've been able to convince the environmental community that this is the nest of the goose that's laying the golden egg," he says. "If we're ever going to get money to save the environment, we better keep this nest up."

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The truth about drilling

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An issue as important as expanding offshore oil drilling deserves a serious debate over what it would -- and wouldn't -- accomplish.

Instead, the discussion has featured petulant pronouncements ("I'm trying to save the planet," House Speaker Nancy Pelosi declared when asked to explain why she was blocking a vote) and silly sloganeering ("Drill, baby, drill," Republican delegates chanted at last week's convention).

In reality, more offshore drilling would be neither the environmental disaster its opponents contend nor the cure-all its supporters assert. It is but one of several steps needed to break the nation's ruinous dependence on foreign oil.
Boosters of offshore oil drilling hurt their case by making it sound like a quick and easy way of lowering prices at the pump. President Bush regularly implies as much. In Saturday's radio address, he described offshore drilling as a way of "addressing one of the American people's biggest concerns: the high price of gasoline."

Plans to drill might have a psychological impact, but new production is many years away, and it isn't forecast to produce major price reductions.

The real value of offshore drilling is in securing more U.S. supplies when America's own production is dropping and the nation is already importing 60% of its oil, some of it from hostile regimes.

Current domestic offshore production is also dangerously concentrated along the Gulf Coast. Drilling elsewhere would diversify risk away from an area that has to shut down every time a major storm approaches, as Hurricane Ike threatens to do this week.

Public pressure is mounting for expanded drilling -- polls show 70% support -- and Pelosi, a California Democrat, has relented about allowing a vote. So far, though, the compromise plans being floated by House Democrats look timid, with 50-mile or 100-mile buffer zones that would leave much acreage off limits and force drilling into the deepest and most expensive areas.

Years of experience since the 1969 oil spills off Santa Barbara, Calif., have shown that drilling can be done safely -- so much so that Santa Barbara County's supervisors voted recently for renewed drilling.

In these last weeks before the election, Congress would do well to unlock promising offshore areas, but only as a prelude to a much larger energy independence initiative that includes conservation, nuclear plants, wind and solar, and particularly new ways to power cars. The first step is to start treating energy as a national crisis instead of a political one.
WASHINGTON -- The Bush administration's controversial plan to expand offshore oil and gas drilling was delayed at least six months by the Obama administration. Interior Secretary Ken Salazar suggested that some drilling will eventually be allowed, but he said his department will give the public until Sept. 23 to comment, instead of the Bush administration's deadline of March 23. The department will hold public meetings before a decision is made.

Salazar's announcement hinders the drilling schedule announced by the Bush administration on Jan. 16, the last federal workday of its term. That plan, which would have allowed drilling on up to 300 million acres off the U.S. coast, was to have taken effect in mid-2010. It allotted 60 days for public input.

Then-president Bush set the plan in motion in July when the cost of oil soared to nearly $150 a barrel, saying the United States needed to increase domestic energy production. The Bush administration estimated that coastal areas off limits to drilling contain 18 billion barrels of oil and 76 trillion cubic feet of natural gas.

The Bush administration's plan "was a headlong rush of the worst kind," Salazar said. "It was rigged to force harried decisions based on bad information."

Salazar's announcement came as a relief to officials in the energy industry, who feared that he would call for a renewal of a presidential moratorium on drilling off the coast. Bush allowed the moratorium to expire last summer.

"We don't see this as a bad thing," said Nicolette Nye, spokeswoman for the National Ocean Industries Association, which promotes offshore drilling. "We're pleased the new administration is continuing with the ... process."

Environmentalists, who want the moratorium reinstated, were disappointed Tuesday. Without a ban, "our coasts and oceans will be more vulnerable to oil damage than they have been since the Exxon Valdez spill," said Jacqueline Savitz of Oceana, an environmental group.
The Bush administration's plan opened up drilling along the California coast and the entire Eastern seaboard. Those areas have not seen new energy exploration for as many as 26 years because of congressional and presidential protections. Congress allowed its moratorium to lapse last year.

Salazar tried to allay environmental concerns while making it clear that energy exploration is valuable. "What this shows is a dramatic change from the last eight years ... which was, 'Drill, drill, drill,' " he said. However, he said, "The oil and gas industry should not see the Obama administration as their enemy."

The administration also announced it will re-evaluate a rule published by the Bush administration Jan. 15 that would make it easier to modify power plants without adding pollution controls.

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Court Cancels Offshore Drilling Plan

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A federal appeals court ruled that the Bush administration did not properly study the environmental impact of expanding oil and gas drilling off the Alaska coast and canceled a program to find new reserves. A three-judge panel found that the Bush-era Interior Department failed to consider the effect on the environment and marine life before it began the process in 2005 to expand an oil and gas leasing program in the Beaufort, Bering and Chukchi Seas. It was not clear whether the decision applied to other areas of the same drilling program, including tracts in the Gulf of Mexico and along the Atlantic coast. The appeals court ordered the Interior Department, now run by Ken Salazar, to analyze the areas to determine environmental risks and potential damage before moving ahead with the program.