

Plaquemines seeks to rebuild

Study: Oil, gas vital to state, region, nation

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By Karen Turni Bazile

With concerns swirling that the federal government will not push for the billions of dollars needed to beef up the levees that protect lower Plaquemines Parish, parish leaders hope the conclusions of a Louisiana State University study will boost its position in regional rebuilding policies and financing.

"I've asked for this study so we can have information to share with people on the importance of what Plaquemines Parish contributes to the state and nation from just one industry: the oil and gas industry," Plaquemines President Benny Rousselle said Wednesday. "I think the study shows how Hurricane Katrina affected the price at the pump. Just look at the loss of production."

One of the study's conclusions notes the loss of fuel production from the ConocoPhillips Alliance refinery alone could have fueled 100,000 commercial airline flights from New York to Los Angeles or provided enough fuel for all drivers in Rhode Island for two years.

"These are things we can point to specifically to show how important Plaquemines is to the nation," Rousselle said.

The study also shows that Plaquemines provides more severance taxes than any other parish in the state.

The LSU Center for Energy Studies released a 58-page report Wednesday. The \$18,000 report, financed by Project Rebuild Plaquemines, probed the parish's energy production and infrastructure. The study highlights the impacts of Hurricane Katrina on Plaquemines' energy economy and looks at the role the parish serves in Louisiana's energy industry.

"Plaquemines is an energy 'golden goose' for the state," the report says. Compared to every other parish, "it contributes the largest share of state production and mineral revenues -- over \$2.1 billion in total mineral revenues over the past decade."

The report was authored by David E. Dismukes, a professor and associate director at the LSU Center for Energy Studies. The highlighted conclusions of the study show:

-- Besides the 11,000 active wells in Plaquemines, there are about 1,100 wells in federal waters off the parish's coast. Before last year's hurricanes, those wells

were responsible for nearly half of federal oil production in the Gulf of Mexico and about a third of the Gulf's natural gas production.

-- Energy is estimated to be a \$1.2 billion industry in Plaquemines Parish and is credited with more than 8,000 local direct, indirect and induced jobs.

"For a small area, it makes a very large contribution to the state and regional picture and that has national implications," Dismukes said Wednesday.

The ConocoPhillips oil refinery in Alliance was shut down for several months after Katrina. Dismukes said that closure, combined with similar closures of the Chalmette Refining LLC and Murphy Oil USA refineries in St. Bernard Parish, are cited with causing an immediate 50- to 60-cent per gallon price increase for gasoline nationally after the storm.

Many states on the eastern coast are directly fed gasoline on a pipeline serviced by those three refineries.

Besides the national impact of industry in Plaquemines, the parish has contributed \$2 billion in mineral revenues to the state over past 10 years, not including what the parish keeps, Dismukes said.

Two weeks ago, hundreds of Plaquemines residents waved signs at the state Capitol, demanding federal officials rebuild levees severely damaged by Hurricane Katrina so residents can return home.

Dismukes said he and two research assistants already were studying the effects of the last two catastrophic hurricane seasons on oil and gas production on the entire Gulf Coast. But he said they shifted gears in mid-April after Plaquemines Parish leaders commissioned a study on how the parish has been impacted and what that means to the state, region and nation.

Parish leaders thought it was important to spell out the parish's contribution to the economy as federal leaders questioned the justification for spending large amounts of federal dollars to protect lower Plaquemines, which has a miniscule population. Citing the fact that it was home to fewer than 15,000 people prior to Katrina -- a scant 2 percent of the region's population -- the federal government has said it has no immediate plans to seek the estimated \$1.6 billion needed to bolster lower Plaquemines' levees.

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To obtain a copy of the report, visit the LSU Center for Energy Studies Center's home page at www.enrg.lsu.edu or call (225) 578-4400.