

STUDY TITLE: A Socioeconomic Analysis of the Port Expansion at Port Fourchon

REPORT TITLE: Lafourche Parish and Port Fourchon, Louisiana: Effects of the Outer Continental Shelf Petroleum Industry on the Economy and Public Services, Part 1

CONTRACT NUMBER: 14-35-0001-30660-19945

SPONSORING OCS REGION: Gulf of Mexico

APPLICABLE PLANNING AREA: Central Gulf of Mexico

COMPLETION DATE OF REPORT: February 2001

COST: FY 1999: \$5,000

PROJECT MANAGER: Diane C. Keithley, Ph.D

AFFILIATION: Independent

ADDRESS: 13913 Hootsell Court, Baton Rouge, LA 70816

PRINCIPAL INVESTIGATOR: Diane C. Keithley, Ph.D

KEY WORDS: Central Gulf of Mexico: impact assessment; survey; Port Fourchon

BACKGROUND: Port Fourchon, located in Lafourche Parish, Louisiana, is an onshore land base for deepwater offshore oil and gas exploration and development. The port expanded during the 1990's due to increased deepwater activity on the Outer Continental Shelf (OCS). Offshore oil and gas activity has had an impact on the port and the local community.

OBJECTIVES: (1) Describe the development and activity of Port Fourchon; (2) describe the impact of OCS deepwater oil and gas exploration on the port and the local community.

DESCRIPTION: The study deals with the OCS deepwater oil and gas exploitation in the Central Gulf of Mexico and its effect on Port Fourchon and the adjacent human community. Port Fourchon is located in Lafourche Parish, Louisiana, in the southwestern part of the state. Impacts discussed in this report include those related to infrastructure such as La. Highway 1 and the supply of potable water as well as effects on law enforcement, education and religion.

SIGNIFICANT CONCLUSIONS: Recent developments in offshore deepwater oil and gas exploration and production in the Gulf of Mexico have brought economic benefits to both Port Fourchon and Lafourche Parish. Increased economic activity is associated with the provision of onshore support for the offshore oil and gas industry. The

demands, however, of this growth have meant new challenges for the port and the surrounding community. The condition of the roads, the volume of traffic, and the water system's current expansion reflect strains on the infrastructure. Municipal and parish officials express concern over the stresses of traffic control, crime prevention and law enforcement. Public school leaders need multilingual, multicultural teachers not readily available.

STUDY RESULTS: Port Fourchon is Louisiana's only port directly adjacent to the Gulf of Mexico. It is located on the coast of Lafourche Parish and is strategically positioned to serve industrial activity associated with exploiting the vast oil and gas resources offshore in the Gulf. Although a relatively young port when compared with New Orleans of Galveston, Port Fourchon is growing at a visible rate due to the increase of petroleum development on the Outer Continental Shelf.

Two companies had located on port property by 1978; as of August, 1999, there were 124 companies there. Leasing activity on port land increased from 50 lessees and 113 businesses in June of 1998; to 54 lessees and 124 businesses in May of 1999, less than a year later. The physical size of the port has grown from about 25 acres in 1980 to nearly 600 acres as of August, 1999. Port Fourchon is a multi-use port servicing the needs of oil and gas development, commercial fishing, recreation, and shipping as well as providing the land base for the Louisiana Offshore Port Authority (LOOP).

Much of the increase, however, in economic activity attributable to the port from 1994 to 1999 is due to the rapid expansion of oil and gas development in water depths of 1,000 feet (300 meters) or more in the Gulf of Mexico. In addition to its strategic location to service exploitation of these deepwater sites, Port Fourchon has the only facility in the world offering one-stop shopping, as it were. It is called C-Port and allows supply vessels to take on fuel, water, deck cargo, barites, cements, liquid muds and completion fluids all at one place, under a covered dock and in less than 24 hours. Anywhere else, this process would take from two to three days, a heavy cost to ship owners and platform operators.

Such increases are not all positive. The highway system and potable water supply are both inadequate to meet current as well as future demands. Louisiana Highway 1 is the only land access to the port. The highway is a two-lane road with runs along Bayou Lafourche and through several small communities, flooding during storms and often impassable due to weather and traffic accidents. Local business and industry also face shortages in skilled labor. Local schools and law enforcement also are affected by the larger numbers of people in and around the port. Schools and other local agencies must spend more money to meet the needs of a growing population, nearly half of who are Spanish-speaking. Life-long residents are French-Arcadian and not accustomed to people who speak neither French nor English.

Police and sheriff officers now face a near doubling in the number of transients in the parish. According to these officials, transients make enforcement and apprehension more difficult because they are unknown to one another and they lack social ties, which

help to maintain law and order in any community. Higher levels of traffic congestion and accidents and fatalities also are results of increased activity offshore. The unique geography of the parish, which is nearly 100 miles long and divided by Bayou Lafourche, combined with the lack of a good secondary road system create major obstacles to traffic flow.

STUDY PRODUCT: Diane C. Keithley, Ph.D. 2001. Lafourche Parish and Port Fourchon, Louisiana: Effects of the Outer Continental Shelf Petroleum Industry on the Economy and Public Services, Part 1. A final report for the U.S. Department of the Interior, Minerals Management Service Gulf of Mexico OCS Region, New Orleans, La. Contract No. 14-35-0001-30660-19945/PO 54185. 79 pp