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June 3, 2004

Admiral James D. Watkins, Chairman
U.S. Commission on Ocean Policy
1120 20th Street, NW
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Washington, DC 20036

Dear Admiral Watkins:

I commend you and the Commission for the fine work presented in the *Governors' Draft Preliminary Report of the U.S. Commission on Ocean Policy*. This draft report signals a much-needed revisiting of the national policies and programs that deal with our precious coastal and marine resources.

The state of Louisiana is dependent on the sustainable use of coastal and ocean resources and we welcome this opportunity to help shape a new era of improved management, learning and stewardship. We strongly endorse the key recommendations for a new governance system for ecosystem-level resource management - improved agency coordination; advanced monitoring of coastal and ocean conditions; and dramatic funding increases for science, research and education.

We do have several suggestions that may strengthen the report and enhance the prospects for improving the health of our oceans and our communities that depend on them. Our comments focus primarily on our perspectives on: (1) the implications to Louisiana of funding recommendations in the report; (2) Louisiana's unique coastal problems, which are not fully recognized or developed in the draft report; (3) the need for expanded emphasis on habitat restoration, urgent for Louisiana; (4) hypoxia along our Gulf coast; (5) enhanced science and education; (6) sediment issues; (7) governance and regional partnerships; (8) sustainable fisheries; and (9) issues related to natural resources.

Funding Issues

Congressional support and implementation of the recommendations in the draft report would mark a welcome turning point in our nation's ocean and coastal policy and we know that this will require significant funding. However, the report proposes funding its policy recommendations from OCS oil and gas leasing and royalty payments. Louisiana

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has long envisioned a portion of these funds as the obvious primary source of Federal assistance for addressing Louisiana's coastal crises.

While we support in general the use of OCS revenues for the conservation and preservation of our oceans and coastal resources, we would insist that special consideration be given the coastal states that continue to bear the impacts of energy production for the nation, especially in the case of Louisiana.

The Louisiana Coastal Zone (LCZ) provides shore-based infrastructure that supports 80% of the production and drilling operations in the northern Gulf of Mexico; 30% of the nation's oil and gas production and distribution, both foreign and domestic; and the nation's only offshore oil terminal, the Louisiana Offshore Oil Port (LOOP). Most of this energy production, however, takes place on the Outer Continental Shelf (OCS), beyond the three-mile territorial limit of state waters. Though Louisiana sustains the entire onshore burden for these activities, it receives little to none of more than \$6 billion in Federal royalties and fees put in the Federal treasury each year from OCS energy production off its coast.

Louisiana is currently experiencing coastal land loss at the staggering rate of 24 square miles a year, the greatest rate of wetland loss in the nation. Since 1930, we have lost 1,900 square miles and according to the U.S. Geological Survey, we are predicted to lose another 700 square miles within the next 50 years. As these wetlands continue to disappear, critical energy infrastructure is put at risk. The urgency and scale of effort needed to address this land loss and the national benefits derived from this area are unparalleled.

Because of these extraordinary circumstances and the role this coastal landscape plays in the nation's energy and economic security and its ecological significance, Louisiana should be compensated in the form of dedicated, direct payments of OCS revenues to address the rehabilitation of this vital coastal ecosystem. The dedication of direct payments of OCS revenues to Louisiana and to other coastal producing states must be made before Congress considers any further use of OCS revenues.

We would also like to see more emphasis on habitat restoration, which implies increased funding. Existing resources are inadequate and demand is growing. **The Commission should call for increased funding for habitat conservation and restoration activities at a scale to meet the need.**

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Louisiana's Unique Coastal Problems

Louisiana occupies the active delta at the dynamic nexus between two critical eco-regions: the Mississippi River Basin and the northern Gulf Coast, the largest deltaic system in the US. Land use modifications throughout the basin and structural controls throughout the river system have inadvertently created dual threats: **(A)** ongoing subsidence and deterioration of our deltaic landscape, including coastal forests, marshes, barrier shorelines, shell reefs - and two million citizens who face ever-increasing threats from storm flooding; and **(B)** the world's largest hypoxic zone that forms each summer along our coast. Landscape deterioration basically stems from the separation of the Mississippi River from its delta and Gulf hypoxia is triggered by excess nitrogen in river water that bypasses the delta and flows directly into the Gulf. **Both habitat loss and hypoxia are largely the result of the unintended consequences of Federal policy decisions related to Mississippi River management.**

Ironically, our delta suffers from an overall sediment deficit, while two hundred million tons of vital mineral sediments flow past New Orleans each year to be lost in deep water. Meanwhile, our coastal swamps and marshes are dying from lack of these river-borne sediments (as well as the nutrients that lead to Gulf hypoxia).

Louisiana's deltaic complex surrounds and protects the world's largest port complex and an amazing array of platforms, pipelines, pumps and valves that serve as a vital conduit to the nation for about 30% of current US oil and gas consumption. In addition, about a third of US fishery production is dependant on this deteriorating deltaic complex.

Looming threats to these resources and infrastructure underscores the need to develop feasible, comprehensive and integrated restoration plans. Louisiana is uniquely vulnerable to sea level rise, wetland loss, potential collapse of a vital fishery, interruptions in US energy supply and catastrophic loss of life from ocean storms - all related to our deltaic setting. In most of the country, people are moving toward the coast. In Louisiana we are being forced to retreat from our coast.

With help from the US Army Corps of Engineers and other federal partners, our state is proceeding as quickly as possible to develop comprehensive plans to address these issues. Our efforts in this regard can serve as a model for other coastal states that will ultimately face similar challenges.

Estuarine Habitat Restoration

We believe that the final report should explicitly recognize the importance of conserving and restoring vital coastal estuarine and wetland habitats. The draft report notes some

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specific restoration activities and programs but doesn't highlight habitat conservation and restoration as a clear priority. Degradation of coastal habitat is a major national concern but no other coastal state can match the losses experienced in and predicted for Louisiana.

Since 1989 we have been investing limited state resources to cope with these issues, which clearly exceed our means and justify significant additional federal assistance beyond Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA) funds.

The draft report correctly identifies the importance of wetlands, watersheds and water quality to the health of our oceans but understates the critical role that estuaries and coastal wetlands play. We agree that addressing estuarine and ocean water quality problems must be based on an ecosystem level, watershed management approach and the enhancement of water quality should be an explicit rationale for an aggressive habitat restoration program.

Areas with tidal influence are vital nurseries, filters, and storm buffers for the habitats that supply much of the bounty of our oceans; Louisiana's coastal wetlands serve as the nursery ground for the Gulf of Mexico. These types of areas also support and protect our communities and traditional ways of life, most particularly in coastal Louisiana.

Louisiana Perspectives on Gulf Hypoxia

In reaction to vocal public concerns about Gulf hypoxia, the Mississippi River/Gulf of Mexico Watershed Nutrient Task Force was organized in 1997. The Task Force brought together key federal agencies and states along the main channel of the Mississippi River, and Louisiana has been actively engaged in this program from the beginning. The task force approved the *Action Plan for Reducing, Mitigating, and Controlling Hypoxia in the Northern Gulf of Mexico, 2001*, but funding for the plan has never been appropriated. Louisiana has responded to this situation by organizing and chairing the Lower Mississippi River Sub-basin Committee on Hypoxia with its neighbor states Arkansas, Mississippi, Missouri, and Tennessee. Other Sub-basin Committees are planned for the Upper Mississippi and Ohio Rivers. **The Action Plan represents an important example of upstream states in a watershed reaching agreement on addressing a downstream problem in coastal waters, and should be fully implemented.**

Enhancing Our Knowledge Base for Ocean Stewardship

We strongly endorse the need to update, expand and standardize our knowledge base. This could and should serve to educate the public about the importance of improving the health of our

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oceans, estuaries and coastal wetlands. Far too many decisions are based on information inadequate to serve as a basis for good stewardship.

In our exceptionally dynamic coast we suffer from an obsolete knowledge base. Louisiana has only a single long-term water level gauge established to National Ocean Service standards, while our neighbor state of Texas has many such gauges. Our official depth charts are notoriously inaccurate, which endangers boaters and seriously limits the accuracy of models that predict hurricane surge levels. To increase hurricane surge prediction times we are investing in a system to measure the magnitudes of approaching storm waves (WAVCIS). We are supplementing a FEMA program to update flood risk maps for communities by pursuing the use of airborne laser technology (LIDAR) to measure the precise elevation of uninhabited coastal landforms - marshes and barrier islands. We support the concept of mitigation to reduce coastal damage risk – and we see the investment in coastal habitat restoration as a fundamental element of mitigation.

From the upstream perspective, watershed planning also reduces future riverine flood damage and we support the recommendation to incorporate such planning, as well as the related recommendation to urge Congressional support for financial and technical assistance for hazard mitigation planning.

We strongly support the recommended expansion and integration of coastal and ocean health monitoring, including the call for socioeconomic research on the impact of changes in ocean policy on coastal communities. Louisiana has a distinguished history of state-of-the-art coastal research and an expanding reputation for the emerging trans-disciplinary field of deltaic restoration science. Our scientists represent a veritable “coastal science brain trust,” and some in this group have enjoyed a long-standing partnership with the oil and gas industry. We urge the expansion of private/public coastal research initiatives.

We applaud the recommendation to establish systems for enhanced ocean monitoring, especially the International Ocean Observation System (IOOS) but we would urge that this system be expanded to include coastal monitoring needs (ICOOS).

Sediment issues

Our deltaic complex, which for seven thousand years experienced net growth, began to shrink after the levee system was built and after historic distributaries were closed off from the river during the War of 1812. These changes and others, including dams on the Missouri River, dramatically reduced the input of river-borne sediment. **Thus we support expanding the beneficial use of dredged sediments to help offset a huge sediment deficit.**

The maintenance-dredging budget for the New Orleans District of the US Army Corps of Engineers is the largest in the nation - again because of deltaic processes. Approximately fifty

million dollars per year are spent on continuous dredging of Southwest Pass, the principal channel approach to New Orleans. All of our ports and navigation waterways are at risk from the loss of protective landforms.

An important large deposit of high quality sand exists off of Louisiana in federal waters – the sunken remains of a six thousand year old delta lobe known as Ship Shoal. This resource will be an important source of nourishment for our barrier shoreline system and discussions are underway with the Minerals Management Service. **It is important to note that the millions of cubic yards of sand needed for nourishing our barrier shoreline is not for recreational enhancement but for protection of our estuarine ecosystem.**

Governance and Regional Partnerships

We support the concept of regional coordination and recognize that many of the really large issues facing coastal states and communities, such as Gulf hypoxia, can only be tackled on a regional basis. We emphasize the importance of having all interested stakeholders at the table as members of various committees and workgroups under the Regional Ocean Council umbrella.

The need for better regional alignment between federal agencies is critical and we strongly support including non-governmental organizations among those with an interest and role to play in how these entities are established and operate. However, states are the implementers of coastal zone management and have responsibility for managing marine resources. Regional councils could and should offer a forum for coordinating these management efforts across state lines, but only if they are integrated with an enhanced coastal management framework and are not simply an additional layer of bureaucracy.

The National Ocean Council and Regional Ocean Councils should be instruments through which issues of great national and regional importance, such as the loss of significant estuarine wetlands in Louisiana, receive priority for both action and resources.

We strongly support the Commission recommendation for reauthorization and adequate funding of the Coastal Zone Management Act (CZMA). An adequately funded CZMA can serve as an effective governance mechanism in delivering resources, and technical assistance to local communities for planning to support local involvement in coastal management.

Louisiana's Coastal Zone Management Program has demonstrated that effective implementation of the CZMA can serve as a framework for achieving both state and national objectives. Louisiana's program, which promotes cooperation among stakeholders, provides predictability for sustainable economic development while keeping a clear focus on the protection and enhancement of our state's renewable resources and quality of life.

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Sustainable Fisheries and the Link to Sustainable Communities

Perhaps no part of the report is more challenging than the provisions dealing with the need to manage our fisheries for sustainability. Even with the best science and information, establishing better and more effective programs will be difficult. **We strongly support the concept of an ecosystem-based approach to fishery management.**

The prospect of a growing mariculture industry presents a number of opportunities and challenges as well. We support a balanced and coordinated national and regional mariculture policy.

While the draft report identifies many of these issues, it is largely silent on how new policies will address the communities and industries that currently depend on our natural fisheries. It is essential that we manage for sustainable fisheries but remember that real people and communities are affected by policy changes.

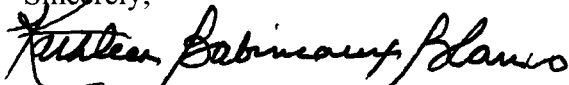
Renewable and Non-renewable Resources

The nation and the Congress need to include criteria other than economic development in prioritizing the use of public resources for public works projects in coastal areas. The ecological values of natural resources don't easily fit the kinds of resource allocation and valuation scenarios currently used to prioritize use of public resources.

Wise use of Louisiana's resources is of paramount importance to the future of her people and to all Americans. Our state has a huge stake in the wise stewardship of coastal, estuarine, and ocean resources and we are ready to take a leadership role. It is ironic and noteworthy that, while our deltaic coast is so uniquely productive and valuable to the nation, Louisiana is also unique in having no designated National Seashore; no National Estuarine Research Reserve site; no National Marine Sanctuaries Program; no USFWS Coastal Program site; and no coastal wetlands officially designated as "Wetlands of International Importance."

In closing, I again commend you on the work that went into the draft report and appreciate your consideration of the comments and suggestions we offer in response. We look forward to participating in future discussions leading to the final report.

Sincerely,



Kathleen Babineaux Blanco

Governor

State of Louisiana

