

PORT REVIEW



a publication of the Greater Lafourche Port Commission

Spring 2006 Edition

Looking Ahead

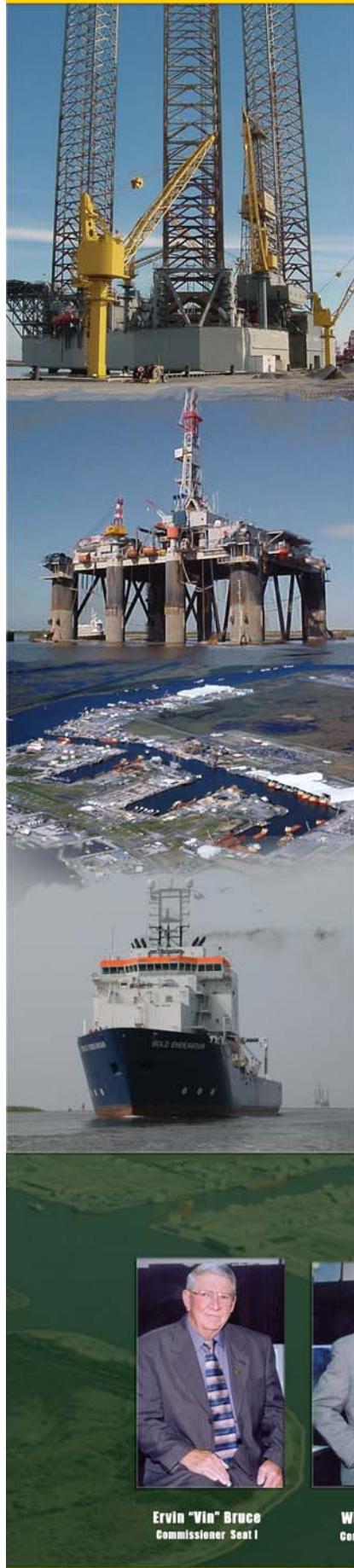
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The Greater Lafourche Port Commission



THE GULF'S ENERGY CONNECTION

The Greater Lafourche Port Commission, a political subdivision of the state of Louisiana, facilitates the economic growth of the communities in which it operates by maximizing the flow of trade and commerce. We do this to grow our economy and preserve our environment and heritage.

The Greater Lafourche Port Commission was established by the state of Louisiana in 1960 and exercises jurisdiction over the Tenth Ward of Lafourche Parish, south of the Intracoastal Waterway, including Port Fourchon and the South Lafourche Leonard Miller, Jr. Airport.

The Commission has targeted Port Fourchon for growth and development of port facilities because of its ideal geographical location on the Gulf Coast. Fourchon's primary service market is the domestic deepwater oil and gas exploration, drilling, and production in the Gulf of Mexico. Fourchon is comprised of 600 developed acres that house state of the art service facilities and is in the midst of its 700-acre Northern Expansion, which will double the port's size and will further accommodate the industry's growing needs.

In addition to developing Fourchon, the Commission had expanded the services of the South Lafourche Leonard Miller, Jr. Airport since acquiring it in November 2001. This general aviation airport sits on 359 acres in Galliano, Louisiana and is surrounded by the Commission's 1,200 acres of property, South Lafourche Industrial Park, slated for industrial development. Its close proximity to Fourchon makes it the airport of choice for both business and recreational travel to South Louisiana. The airport is under aggressive expansion as well, with plans for a 6,500 foot runway with full parallel taxiway to accommodate large jet aircraft.



Donald Vizier
President



Jimmy 'T-Jim' Lafont
Vice President



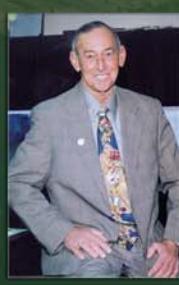
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Secretary



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Treasurer



Ervin 'Vin' Bruce
Commissioner, Seat 1



Wilbert Collins
Commissioner, Seat E



Harris 'Chuckie' Cheramie
Commissioner, Seat A



Larry Griffin
Commissioner, Seat F



Jimmie 'Beau' Martin
Commissioner, Seat H



Ted Falgout
Executive Director

New Port Video Illustrates Port Fourchon as a World-Class Facility

The Greater Lafourche Port Commission announces the release of their new port video illustrating Port Fourchon as a world-class facility positioned to meet the challenges of the future.

Port Director, Ted Falgout said, "Port Fourchon's well-planned port facilities and services have become a vital link in the support of our nation's energy supply."

Also featured in the video are the South Lafourche Leonard Miller, Jr. Airport located in Galliano and 1200 surrounding acres owned by the Commission, 22 miles north of the port. The complex is well positioned to become an international aeronautical hub to support Gulf of Mexico oil and gas activities, just-in-time cargo, and charter fishing.

Falgout adds, "The new Port video clearly illustrates our significance and our direction into the future."

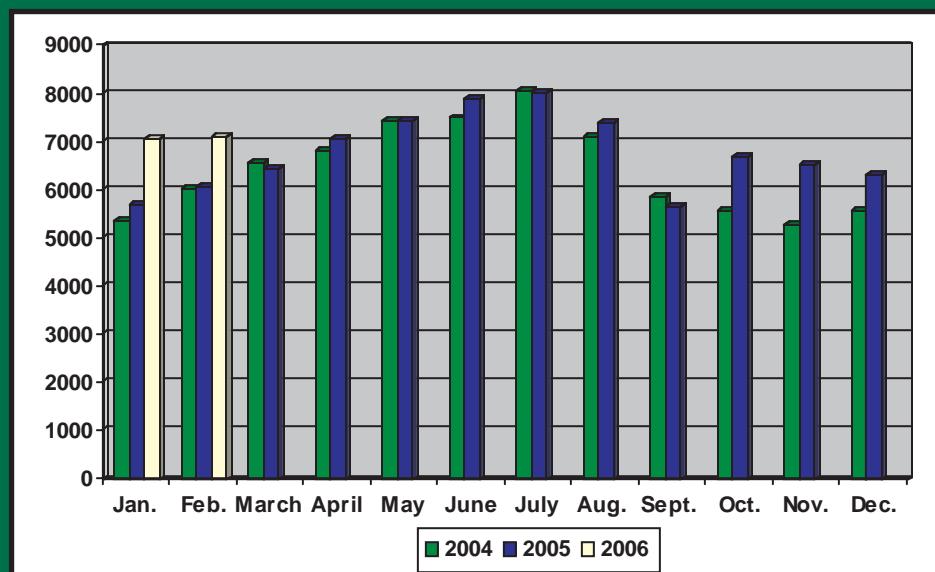
TLW Productions in New Orleans produced the port video. To view the new port video, go to our website at www.portfourchon.com. You will need Windows Media Player to view the video clip.

Port Fourchon at 95% Capability After 2005 Hurricanes

Port Fourchon is currently at about 95% of its capability as a result of the hurricanes of 2005-Cindy, Katrina and Rita.

Tropical System Cindy has now been upgraded by NOAA to a minimal hurricane. With the eye passing right over Fourchon, this forgotten system caught many by surprise but luckily only caused minor damage and interruption to the Port. Then came Katrina, a massive storm causing considerable damage and rendering the Port without electricity from Entergy for two weeks. Just as Port Fourchon approached 80% of pre-storm capability came Rita where the capabilities of the Port were knocked back down to zero, but was able to rebound quickly.

Impacts to oil and gas infrastructure, both onshore and offshore, were huge and Port Fourchon's ability to recover quickly allowed it to be a major player in the recovery effort. The chart below reflects one of the best indicators of activity in the Port, vehicle traffic.



Traffic Counts taken just south of Leeville shows the increase of activity at Port Fourchon since the hurricanes of 2005.

As is evident when looking at the post hurricane months of October, November, December 2005 and January 2006 and comparing them to traffic in the same months last year, it shows a double digit increase in activity for those months with January 2006 being a whopping 24% higher than January 2005. This is a sound indicator of the increased role Port Fourchon has assumed after the storms.

Hopefully during this year we can repair the damages to the Port with the assistance of FEMA, and we can quickly achieve 100% of our capability. What is being equally stressed is our highway system and major improvements are on the horizon, but inflation in construction costs just like coastal erosion, is threatening our LA1 Improvements Project.

If you would like to submit an article for possible insertion in the Port Review, contact the editor, Paula Schouest at (985) 632-6701 or email article ideas to paulas@portfourchon.com. Submitting an article does not guarantee publishing.

Governor Blanco Threatens to Block Lease Sales in an Attempt to Get Louisiana's Share of Offshore Revenues

Governor Blanco has threatened to block offshore lease sales if the Federal Government does not begin to give coastal producing states a fair share of the oil and gas revenues generated in federal waters offshore from the states where production occurs.

This has long been an issue with coastal producing states, of which there are only six, and the rest of the country who gets the benefits of the oil and gas and huge amounts of revenue generated from offshore lease sales and royalties paid to the Federal Government.

This battle has raged for decades and in recent times supporters have come very close to meaningful revenue sharing, but ended up with only "crumbs". Until now, this state would have been hard pressed to play the inconsistency card that Florida and California have used to block lease sales off their coasts, but Katrina and Rita have opened the door for Louisiana to re-examine its Coastal Zone Management Policies which could be amended to object to lease sales off its coast.

In a recent speech before the legislature, Governor Blanco said, "Hurricanes Katrina and Rita melted 100 square miles of coastline into the sea. Our fragile environment changes the way we do business". Blanco explained that allowing development to occur where inadequate provisions are made for the protection of that development is irresponsible, and offshore leasing policies must include provisions for the protection of the very resources necessary for the exploration and production of these leases.

If Louisiana determines that proposed Federal lease sale is inconsistent with the state's coastal zone management policies, the Secretary of Interior could override the objection based upon national interest. The state could then file a lawsuit to block the sale.

No matter what your view is on this issue, it is high stakes poker at its best and hopefully this state is not forced to go "all in" and a resolution to this huge inequity can be realized soon.

| State | Oil (million barrels) | Gas (billion cubic feet) |
|--------------|--------------------------|-----------------------------|
| Alabama | .026 | 95 |
| California | 34.8 | 40.4 |
| Louisiana | 502.6 | 3,717 |
| Texas | 16.4 | 640.9 |
| Mississippi | -- | 24.6 |
| TOTAL | 554.06 | 4517.9 |

FACTS

In 2005, MMS collected \$9.9 billion in revenues, of which \$6.7 billion came from offshore waters.

Of the \$6.7 billion from offshore waters, approximately \$5 billion came from offshore Louisiana.

On federal lands within a state, the state shares 50% of the revenues. In 2005, Wyoming received over \$878 million in revenues.

Outside of 6 miles offshore, Louisiana received no share of revenue. In 2005, Louisiana received only \$32 million, one percent of the federal revenues generated off its coast.

80% of oil and 87% of gas from this nation's offshore waters comes from offshore Louisiana.

Port Fourchon to be Highlighted in Offshore Magazine

Port Fourchon is proud to announce the first ever special supplement on Port Fourchon that will be published in Offshore magazine, the largest circulated and highest read magazine to the offshore oil and gas market.

This special supplement on Port Fourchon will be published in the Spring of 2006 and will cover a full range of activities, operations, and logistical services working out of the Port of Fourchon.

“ The Port Commission is eager to highlight Port Fourchon in Offshore Magazine. We hope that the partnership will be lucrative and long-standing,” said Ted Falgout, Port Director.

“Offshore magazine is the number one publication serving both the Gulf of Mexico and world wide offshore oil and gas industry. Started over 50 years ago, it is considered the leading information source to the offshore community with the largest circulation and the highest readership to this dynamic offshore market,” said David Davis, Offshore Magazine World Wide Sales Manager.

“Based on our first tour of the port, Fourchon is really the leading service base for activity around the central and deepwater Gulf of Mexico and we are proud to have the Port of Fourchon on board with us on this endeavor,” continued Davis.

If you would like more information about the Port Fourchon supplement, please contact Paula Schouest at (985) 632-6701.

Offshore

Get Ready Leeville!

Get ready Leeville! After several years of consistent lobbying efforts for improved highway infrastructure to Port Fourchon, LA 1 Coalition officials are pleased to announce the Louisiana Department of Transportation and Development (DOTD) has awarded a \$141 million low bid by Massman Construction/Traylor Brothers Joint Venture for the first of three phases on a new La. 1 toll road and bridge in lower Lafourche Parish. Phase 1C bids were opened on February 22, 2006 with Traylor Brothers/Massman Construction Joint Venture having the lowest bid at \$20 million.

Phase 1 of the LA 1 project consists of three sections; the approaches to the Bayou Lafourche crossing, the actual bridge over Bayou Lafourche, and the 6.2 mile elevated roadway from southern Leeville to Port Fourchon.



Above is the proposed elevated highway. \$141,000,000 bid on the approaches has recently been awarded.

Section 1c of the LA 1 Project involves construction of sub-structure and superstructure components of the Leeville Overpass at its crossing over Bayou Lafourche. The new bridge over Bayou Lafourche has a 350 foot wide crossing with vertical clearance of 73 feet. This will replace the old Leeville bridge which has a 125 foot wide opening. Although the new bridge is designed for marine vessel collision loads, the increased horizontal clearance will help immensely in mitigating the frequent collisions.

The low bid on the approaches was 35% higher and the low bid on the center span was 33% higher than DOTD’s estimate. Rising costs of manpower, equipment and supplies, combined with an overabundance of both scheduled large bridge projects and post-Katrina repair and replacement projects are driving up the cost of construction across the southeastern United States.

“Bids for the 6.2 mile roadway will be received this summer,” DOTD Undersecretary Michael Bridges said.

According to LA 1 Coalition Director Henri Boulet, there were two reasons that contributed to postponing the 6.2 mile bid on the section of elevated highway from Leeville to Port Fourchon. “With the Leeville Bridge approaches using a larger percentage of the projects current committed funds, we do not at this time have adequate funds to cover this 6.2 mile segment. As well, delaying the bids until the summer could allow the bridge construction market to stabilize,” says Boulet. “It is appropriate that we address the weakest link of Louisiana Highway 1 first, and the Leeville Bridge is that link. The bridge is scheduled to be complete in December, 2009.”

South Lafourche Leonard Miller, Jr. Airport Runway Extension Project

The runway extension project being constructed by Phylway Construction will extend our runway to 5000 feet and widen the existing to 100 feet wide. Site preparation for future project is also being constructed. The project is anticipated to be completed by June 2006. The total cost of the project is \$3,146,489. The runway is presently at 3800 feet long by 75 feet wide and 12,500 pounds single wheel design.

“The runway is temporarily closed due to construction, but the airport is still busy. Four helicopter companies are operating out of the airport, two of which have plans and are under construction of their own facilities at the airport,” said Jeffrey Hunter, Airport Manager.

Hunter continues, “The Port Commission is currently clearing new sites, extending and upgrading utilities, and seeking funding for infrastructure upgrades.”

Construction will begin on Phase II shortly after

Phase I is complete. The Port Commission anticipates 1 million dollars from FAA that will be used for Phase II, which includes a runway lighting project, and a port funded \$2 million extension project that will extend our runway 1500 feet bringing our runway to 6500 feet long.



Future airport projects include an overlay project that would bring our runway to a design weight of 70,000 pounds, and an anticipated final design of 138, 500 pounds, a parallel taxiway, approach lighting system, and an instrument landing system. The total construction cost for all runway upgrades is estimated at about \$14 million.

Shortly after the airfield acquisition in 2002, a Master Plan was produced to provide a clear view of the facility's future and its potential contributions to the region. Quick, short-term improvements have already been conducted to establish onsite security measures, fueling capabilities, and construction of a hangar for aircraft storage.



Runway Extension Construction



Aircraft at South Lafourche Airport

Northern Expansion Construction

Construction is well underway with two projects that will add approximately 6,000 linear feet of steel bulkheaded waterfront property. 3,000 feet of bulkhead being constructed by James Construction will be complete by April 2006 and the remaining bulkhead constructed by Shavers Whittle will be completed in September 2006.

“ We are eagerly anticipating the completion of the Northern Expansion bulkhead project,” said Davie Breaux, Director of Operations. “We have two tenants looking for additional property waiting on completion and others inquiring about space. Despite the setbacks of the recent hurricanes, we are moving onward with construction in the Port,” continued Breaux.

The Port is also in the process of upgrading an additional 5,000 linear feet of Dudley Bernard Road, including utilities with a plan to pave the road by the end of the year.

At the conclusion of the construction to the Northern Expansion, dredging will take place and the dredged material will be used to rebuild and extend the Maritime Forest Ridge.



Northern Expansion Construction

Construction to Golden Meadow Locks May Affect Vessel Traffic

The upcoming construction to the Leon Theriot Floodgate in Golden Meadow to make it a lock will affect the movement of vessel traffic for a few months.

For the building of the lock, engineers for the district are proposing to place a temporary dredged bypass channel just east of the bayou for marine traffic to use for approximately a five month period while major construction is going on. Under current plans and drawings, the bypass channel will be able to accommodate barges 240 feet long by 40 feet wide plus assist tug.

Windell Curole, Director of the South Lafourche Levee District said, “The construction of this structure will allow the Leon Theriot Floodgate, south of Golden Meadow, to become a lock. After completion, the lock will allow navigation through Bayou Lafourche to continue through the lock even though water is high. The locking system will also reduce the chance of boats getting caught outside the protection system when a hurricane or tropical storm approaches.”

Picciola & Associates, the project’s design engineers, gave an estimated completion date of December 2007. The total projected cost of the project is \$15 million.



Above is a computer generated image of the new Golden Meadow Locks

Rotorcraft Leasing Company to Build \$2 Million Facility at Airport

Rotorcraft Leasing Company, a helicopter service and repair company, is leasing 15 acres at the South Lafourche Leonard Miller, Jr. Airport. The \$2 million facility that Rotorcraft will build at the airport will include an 8,000 square foot terminal building, a 4800 square foot maintenance building, 9 helipads, 2 large aircraft helipads to accommodate large crew changes, and a parking lot that will have capacity for 300 vehicles.

It is estimated that 30-35 employees will work out of this facility, and Rotorcraft will provide helicopter service to 350 people per week.

John Oliver, Logistics Manager for Rotorcraft Leasing said, "We are excited about our new location at the South Lafourche Airport. We are looking forward to a long and lucrative relationship with the Port Commission." "Having the airport in close proximity to the gulf but not in Port Fourchon is ideal to meet the demands of our offshore Gulf of Mexico customers as well as our out of town clientele," continues Oliver.

Until their facility is built, they are currently leasing a temporary site at the airport which includes 3 offices and a passenger facility. Their construction project is ongoing and should be complete in the next few months.

Rotorcraft Leasing Company's home office is in Broussard, LA, and has been in business for 11 years offering a one stop shop facility that is licensed to repair and service all makes and models of helicopters. They can also provide aircraft for photographers and videographers in the area.



Restore American Wetlands Campaign Asking for New Mexico's Help

New Mexico's two senators, Pete Domenici (R) and Jeff Bingaman (D), control the Energy Committee of the United States Senate. They have enormous power and influence when it comes to passing energy legislation in Washington. Together, they have the power and influence to persuade Congress to pass the wetlands restoration legislation that will save Louisiana and Southern Mississippi against further storm surges. They will hear the pleas of the men and women of New Mexico, and they will be moved to stand beside Senators Landrieu and Vitter to lead the fight to pass this important legislation.

Restore America's Wetlands is dedicated to communicating personal messages to the men and women of New Mexico, sharing with them the personal experiences that the people of Louisiana and Mississippi have suffered and endured since Hurricane Katrina.

Laney Chouest, coordinator of the initiative, said "For years we have been trying to get the nation's attention to restore our wetlands." Chouest continues, "The fact is we are losing our wetlands, and we need the support of New Mexico's senators to help get our share of offshore revenues to save our coast."

The goal is to move the hearts of New Mexico's men and women voters, with the hope that they will be motivated to persuade their United States Senators to lead Louisiana's plea to dedicate part of federal royalties for offshore drilling to the restoration of America's wetlands.

This campaign began in February 2006 and will continue until Louisiana men and women have written to every single one of the 1,000,000 active voters in New Mexico. The campaign was initiated by Virginia Boulet and Dr. Laney Chouest, both graduates of South Lafourche High School.

To participate in the campaign, visit www.restorewetlands.com. The website will give you simple, step by step directions on how you can help.

Beach Stabilization Projects

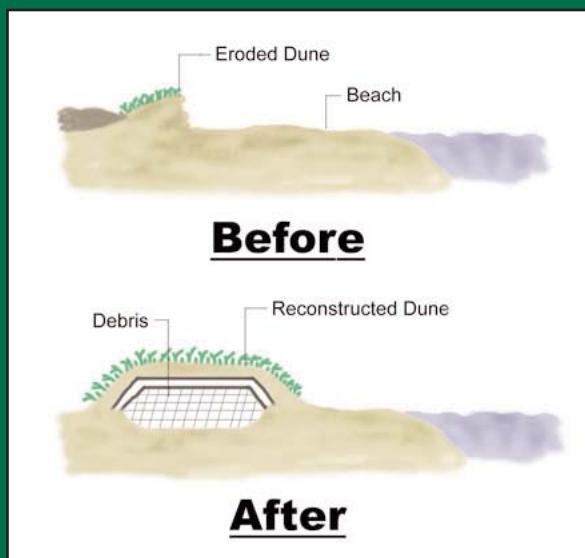
Hurricane Katrina caused damage to Fourchon Beach and left 25,000 cubic yards of debris along the beach, as well as an additional 30,000 cubic yards in the Port. Port officials are currently working on a project that would rebuild the existing beach restoration project and one that would use the debris to create an added barrier against coastal erosion.

The Port is in discussions with various agencies to use storm generated green waste (vegetative debris) to create a dune behind the current restoration project to reduce the risk of coastal erosion and as a substrate to promote the growth of wetland vegetation.

The vegetative debris that was created along Fourchon Beach due to Hurricane Katrina would be buried and covered with sand to recreate dunes behind the existing restoration project and other areas along the beach.

“Again, the Port is leading the way by developing uses for material that has historically been wasted and expensive to deal with,” said Port Director, Ted Falgout.

The existing beach restoration project was originally constructed in 1985 and consist of concrete mats and concrete filled tubes.



New Bridge Curfew Hours

The Coast Guard placed a notice in the Federal Register, and is changing the regulations governing six bridges across Bayou Lafourche, south of the Gulf Intracoastal Waterway, in Lafourche Parish. The Lafourche Parish Council requested that the bridges remain closed to navigation at various times on weekdays during the school year. These closures will facilitate the safe, efficient movement of staff, students and other residents within the parish.

The new revised curfew covers all six bridges and is in effect from 7:00 AM to 8:00 AM, 2:00 PM to 4:00 PM and 4:30 PM to 5:30 PM. Also, the new curfew would run from Monday through Friday, from August 15 through May 31, excluding Federal holidays.

Formerly, only two of the six bridges were under curfew – the South Lafourche Tarpon and Cote Blanche bridges. That curfew was 2:30 PM to 3:30 PM and 4:30 PM to 5:30 PM, Monday through Friday, excluding Federal holidays.

This rule was effective January 27, 2006.

Public Beach Access Temporarily Closed



Due to concerns for public safety and in light of damage sustained during the 2005 hurricane season, the Lafourche Parish Council has temporarily closed its public access to Fourchon Beach. For the same reasons, the Greater Lafourche Port Commission has closed the Fourchon Bridge to the general public until further notice.

Maritime Forest Ridge and Marsh Restoration Protects Port Fourchon

BEFORE KATRINA ...



AFTER KATRINA ...



Thanks to the efforts of a host of partners, including the Barataria-Terrebonne National Estuary Program, Port Fourchon was protected from the full wrath of the costliest storm in American history. Before Hurricane Katrina ripped in to Port Fourchon and much of south Louisiana in August 2005, the Maritime Forest Ridge and Marsh Restoration Project area was considered to be the cutting edge of restoration technology, and the proving ground for future coastal restoration projects.



“For years, agencies have talked about the need to restore ridges and marsh that once existed. We grabbed the bull by the horns and actually constructed a ridge that will provide the area protection, as well as, a world-class bird habitat,” said Ted Falgout, Port Director.

After Hurricane Katrina, Port officials, scientists, restoration professionals, and state agencies saw the value of building diverse wetland habitat for storm protection. But it was not only money and materials which held this protective barrier together in the face of a tempest like no other- it was the labor of countless volunteers who planted tens of thousands of plants which held this place together.

Volunteers From Across the Country Visit Maritime Forest Ridge

Since Hurricane Katrina, volunteers have traveled across the country to south Louisiana to offer their time and energy to assist in the rebuilding of the region in the wake of 2005's devastating hurricanes.



On January 9th and 13th, Barataria Terrebonne National Estuary Program (BTNEP) led trips out to the Maritime Forest Ridge and Marsh Restoration project area at Port Fourchon to plant nearly 2,000 wetland plants. Volunteers for these two trips were from The University of California at Berkeley, McDaniels College in Maryland and Oberlin College in Ohio.

Port Commission Employees and Families Participate in Relay for Life

Employees of the Port Commission and their families are participating in Relay for Life to raise money for the American Cancer Society. Relay for Life is on Friday, April 28, 2006 at 7:00 p.m. at the Cut Off Youth Center.

"We are so excited that the Port Commission is participating in the South Lafourche Relay For Life this year. This event is truly a community taking up the fight against cancer and we are proud that the employees of the Port Commission have joined forces with the American Cancer Society in our mission to eradicate cancer," said Anne Bates, Southeast Area Representative for the American Cancer Society.

The Friends and Family of the Port Commission team is sponsoring a Bayou Idol Karaoke Contest on Saturday, March 18, 2006 and a raffle to raise money for the American Cancer Society.

For more information on how you can help, please contact Paula Schouest at (985) 632-6701.



Dates to Remember

Saturday, March 18, 2006
Bayou Idol Karaoke Contest

South Lafourche Relay for Life
Friday, April 28, 2006
Cut Off Youth Center
7 p.m.

Mooring Dolphins Available

The Greater Lafourche Port Commission has recently completed construction of nine mooring dolphins located near the northern bank of the Flotation Canal in Port Fourchon. The dolphins are grouped into three sets of three dolphins a piece. The dolphins within each set are equally spaced seventy-five feet apart from one another with the three groups spaced 150 feet from one another. The dolphins are available free of charge on a "first come, first serve" basis for short term docking of manned, motorized vessels. All dolphins are available



for lease at the rate of \$75.00 per day for unmanned or non-motorized vessels or for vessels requesting a preferential berth (paying vessels will have first preference). Additionally, anyone interested in long-term use of the dolphins may submit a request to the Port.

If you have any further questions or concerns regarding the mooring dolphins or are interested in leasing the dolphins either at the daily rate or under long term lease, please do not hesitate to contact our office at (985) 632-6701 or visit our website at www.portfourchon.com.

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