

Regular Session, 2013

SENATE BILL NO. 223

BY SENATORS MILLS AND JOHNS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

PORTS/HARBORS/TERMINALS. Creates the Coastal Port Advisory Authority. (8/1/13)

1 AN ACT

2 To enact Chapter 51 of Title 34 of the Louisiana Revised Statutes of 1950, comprised of
3 R.S. 34:3551 through 3552, and R.S. 36:509(U), relative to ports; to create the
4 Coastal Port Advisory Authority; to provide for the authority's membership and its
5 officers; to provide for the duties and functions of the authority; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Chapter 51 of Title 34 of the Louisiana Revised Statutes of 1950,
9 comprised of R.S. 34:3551 through 3552, is hereby enacted to read as follows:

10 **CHAPTER 51. COASTAL PORT ADVISORY AUTHORITY**

11 **§3551. Coastal Port Advisory Authority; purpose; legislative findings**

12 **The legislature hereby finds and declares that the development of oil and**
13 **gas resources is essential to promote Louisiana's economic growth and the**
14 **ability of the maritime, oil and gas industries to compete in regional, national,**
15 **and global markets and to provide a high quality of life for the people of this**
16 **state. The legislature declares and finds the following:**

17 **(1) The Gulf of Mexico has substantial oil and gas resources.**

1 **(2) Many of these resources are considered to be in the deep waters of the**
2 **Gulf of Mexico.**

3 **(3) Major energy companies are expressing renewed interest in the**
4 **deepwater oil and gas resources of the Gulf of Mexico as expressed in recent**
5 **federal oil and gas lease sales and in budgeted capital expenditures.**

6 **(4) The state of Louisiana was once best suited to serve as the host state**
7 **for the fabrication of the infrastructure needed to develop shallow and some**
8 **deepwater Gulf of Mexico oil and gas resources because of its competitive**
9 **advantage of world class coastal ports.**

10 **(5) Due to the need for larger and heavier infrastructures to serve the**
11 **continued quest for deep water resources combined with the current limitations**
12 **of Louisiana's coastal ports, the state of Louisiana, and the United States of**
13 **America, are losing market shares, for the fabrication of deep water**
14 **infrastructure projects.**

15 **(6) Economic opportunities and job creation resulting from improved**
16 **coastal port infrastructures could create a renaissance of fabrication resulting**
17 **from the proposed private investment of major energy companies in the**
18 **deepwater resources of the Gulf of Mexico.**

19 **(7) The state of Louisiana has a great opportunity to fund the greatest**
20 **environmental project of our generation, the restoration of coastal Louisiana,**
21 **from the proceeds of deepwater oil and gas resources as a result of previously**
22 **adopted federal law and certain Louisiana constitutional amendments.**

23 **(8) The state of Louisiana should move aggressively to determine how it**
24 **can best fund improvements to its coastal ports in order to take advantage of**
25 **the pending private sector investments in the deepwater resources of the Gulf**
26 **of Mexico, and, thereby secure itself as the premiere province to host such**
27 **activities, and further secure jobs for its citizens and improvements to the**
28 **quality of life.**

29 **§3552. Coastal Port Advisory Authority; creation; membership; duties and**

1 functions

2 A. The Coastal Port Advisory Authority is hereby created in the office
3 of multimodal planning within the Department of Transportation and
4 Development.

5 B. The authority shall perform its duties and functions through a board
6 composed of the following members:

7 (1) One member appointed at large by the governor who shall serve as
8 chairman of the authority and have knowledge of the deepwater Gulf of Mexico.

9 (2) The governor's executive assistant for coastal activities or his
10 designee.

11 (3) The secretary of the Department of Transportation and Development
12 or his designee.

13 (4) The secretary of the Department of Economic Development or his
14 designee.

15 (5) The secretary of the Department of Natural Resources or his
16 designee.

17 (6) A representative of the Ports Association of Louisiana selected by its
18 chairman of the board of directors.

19 (7) One member from each of Louisiana's coastal ports appointed by
20 each port's executive director.

21 (8) One member from each of Louisiana's deep draft ports appointed by
22 each port's executive director.

23 C. The members shall select a vice chairman to serve in the absence of
24 the chairman. The marine and rail transportation administrator within the
25 office of multimodal planning, Department of Transportation and Development,
26 shall serve as secretary of the authority and shall not vote.

27 D. (1) The authority shall be advisory in nature.

28 (2)(a) The authority shall research and study economic development
29 opportunities available to the state's maritime industries and the needs of the

1 oil and gas industry relative to coastal and deep draft ports. The authority shall
2 inventory and evaluate the resources and infrastructure of coastal and deep
3 draft ports, including existing and future resource and infrastructure needs in
4 order to attract business and increase future market shares, identify technical
5 research and previously developed information on markets available to coastal
6 and deep draft ports, study coastal and deep draft port capacities and
7 utilization, identify potential future deficit areas, and investigate incentives for
8 coastal and deep draft port development.

9 (b) The authority shall not be eligible to apply for or receive funding from
10 the Port Construction and Development Priority Program as provided in R.S.
11 34:3451 et seq.

12 (c) The authority shall be prohibited from advising on any matter related
13 to the Port Construction and Development Priority Program.

14 (3) Not later than May 1, 2015, and not later than May first annually
15 thereafter, the authority shall report the progress of its activities to the House
16 and Senate Committees on Transportation, Highways, and Public Works.

17 (4) The authority may call upon the expertise of others with knowledge
18 of Gulf of Mexico deep water exploration and production, including but not
19 limited to the Louisiana Mid-Continent Oil and Gas Association, the Louisiana
20 Oil and Gas Association, the American Petroleum Institute, the National Ocean
21 Industries Association, the Gulf Economic Survival Team, chambers of
22 commerce, Louisiana universities, fabrication companies, and port
23 organizations.

24 (5) Executive agencies and departments of the state represented on the
25 authority may enter into interagency agreements to share costs necessary to
26 perform authority duties, functions, and responsibilities.

27 E. (1) A majority of the members shall constitute a quorum. A quorum
28 being present, the favorable vote of at least a simple majority of the total
29 membership present shall be required for the authority to take action on any

1 **matter.**

2 **(2) The board shall meet at least once per year, or more frequently as**
 3 **necessary, upon call of the chairman.**

4 **(3) Members of the authority shall not receive a salary or reimbursement**
 5 **for mileage or expenses incurred for attendance at authority meetings from the**
 6 **authority.**

7 **F. The provisions of this Chapter shall terminate on June 30, 2018.**

8 Section 2. R.S. 36:509(U) is hereby enacted to read as follows:

9 §509. Transfer of agencies to Department of Transportation and Development

10 * * *

11 **U. The Coastal Port Advisory Authority (R.S. 34:3551 et seq.) shall be**
 12 **placed within the office of multimodal planning, Department of Transportation**
 13 **and Development, and shall perform its duties, functions, and responsibilities**
 14 **in the manner provided by law.**

The original instrument was prepared by Sharon F. Lyles. The following digest, which does not constitute a part of the legislative instrument, was prepared by McHenry Lee.

DIGEST

Mills (SB 223)

Proposed law creates the Coastal Port Advisory Authority in the office of multimodal planning, Department of Transportation and Development (DOTD), to perform its duties, functions, and responsibilities in an advisory capacity in order for the state to determine how it may best position itself to take advantage of pending private sector investments in deepwater oil and gas resources in the Gulf of Mexico.

Proposed law provides for membership as follows:

- (1) One member appointed at large by the governor who shall serve as chairman and have knowledge of the deepwater Gulf of Mexico.
- (2) The governor's executive assistant for coastal activities or his designee.
- (3) The secretary of the Department of Transportation and Development or his designee.
- (4) The secretary of the Department of Economic Development or his designee.
- (5) The secretary of the Department of Natural Resources or his designee.
- (6) A representative of the Ports Association of Louisiana selected by its chairman of the board of directors.

- (7) One member from each of Louisiana's coastal ports appointed by each port's executive director.
- (8) One member from each of Louisiana's deep draft ports appointed by each port's executive director.

Proposed law requires the members to select a vice chairman to serve in the absence of the chairman, and for the marine and rail transportation administrator within the office of multimodal planning DOTD to serve as secretary of the authority who shall not vote.

Proposed law provides that the authority be advisory in nature; requires the authority, relative to the state's coastal and deep draft ports, to research and study economic development opportunities available to the state's maritime industries and the needs of the oil and gas industry, to inventory and evaluate port resources and infrastructure, including existing and future resource and infrastructure needs in order to attract business and increase future market shares, to identify technical research and previously developed information on available markets, to study port capacities and utilization, to identify potential future deficit areas, and to investigate incentives for port development.

Proposed law provides that the authority shall not be eligible to apply for or receive funding from the Port Construction and Development Priority Program as provided in R.S. 34:3451 et seq.

Proposed law prohibits the authority from advising on any matter related to the Port Construction and Development Priority Program.

Proposed law requires the authority, beginning not later than May 1, 2015, and not later than May first annually thereafter, to report the progress of its activities to the house and senate committees on transportation, highways, and public works.

Proposed law authorizes the authority to call upon the expertise of others with knowledge of Gulf of Mexico deep water exploration and production, including but not limited to the Louisiana Mid-Continent Oil and Gas Association, the Louisiana Oil and Gas Association, the American Petroleum Institute, the National Ocean Industries Association, the Gulf Economic Survival Team, chambers of commerce, Louisiana universities, fabrication companies, and port organizations.

Proposed law authorizes interagency agreements between executive agencies and departments of the state represented on the authority to share costs necessary to perform authority duties, functions, and responsibilities.

Proposed law provides a majority of the members constitutes a quorum and requires a favorable vote of at least a simple majority of the total membership present to take action on any matter; requires the board to meet at least annually and authorizes more frequent meetings upon the call of the chairman; provides that the members serve without salary or mileage or expense reimbursement from the authority.

Proposed law terminates the authority on June 30, 2018.

Effective August 1, 2013.

(Adds R.S. 34:3551 and 3552 and R.S. 36:509(U))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Transportation, Highways, and Public Works to the original bill

1. Removes representative of the Louisiana Mid-Continent Oil and Gas Association as a member of the authority's board.
2. Provides that authority is not eligible to apply for or receive funding from the Port Construction and Development Priority Program.
3. Prohibits authority from advising on any matter related to the Port Construction and Development Priority Program.
4. Requires the authority, beginning not later than May 1, 2015, and not later than May 1 annually thereafter, to report its progress to the house and senate committees on transportation, highways, and public works.
5. Authorizes authority to call upon the expertise of others with knowledge of Gulf of Mexico deep water exploration and production, including but not limited to, the Louisiana Mid-Continent Oil and Gas Association, the Louisiana Oil and Gas Association, the American Petroleum Institute, the National Ocean Industries Association, the Gulf Economic Survival Team, chambers of commerce, Louisiana universities, fabrication companies, and port organizations.
6. Authorizes interagency agreements between executive agencies and departments of the state represented on the authority to share costs necessary to perform authority duties, functions, and responsibilities.
7. Terminates the authority on June 30, 2018.

Senate Floor Amendments to engrossed bill

1. Legislative Bureau amendments.