



February 25, 2012

Garret Graves, Chair
Coastal Protection and Restoration Authority
Governor's Executive Assistant on Coastal Activities
Capitol Annex Building
Baton Rouge, Louisiana 70802

Re: Comments on *Integrated Ecosystem Restoration and Hurricane Protection in Coastal Louisiana: Fiscal Year 2013 Annual Plan*

Dear Mr. Graves:

The undersigned groups appreciate the opportunity to share our collective comments and recommendations on the *Integrated Ecosystem Restoration and Hurricane Protection in Coastal Louisiana: Fiscal Year 2013 Annual Plan, January, 2012*. (Hereafter, FY13 Annual Plan).

In the ever-changing environment of coastal restoration and protection, we appreciate the efforts of the State of Louisiana to improve the information within each successive Annual Plan provided to inform the public on these programs and their fiscal status. We also appreciate the opportunity for public comment and suggest that current and future Annual Plans provide a review of comments and how they were addressed.

FY13 ANNUAL PLAN / 2012 STATE MASTER PLAN

We support the State's ongoing efforts with the 2012 State Master Plan. The FY13 Annual Plan contains a section describing the 2012 State Master Plan, but it doesn't clearly lay out the differences between these two documents (which as we know are both legal as defined in Act 523 of 2009, and functional), nor how they will fit together in the future. We believe it is vital for this section to clearly describe how it is envisioned the two reports will work in tandem - in terms of prioritizing and sequencing of Master Plan projects, application of various funding sources to fulfill Master Plan objectives, and elaboration on timeframes as projects proceed through planning to construction. We further recommend that projects identified and discussed both in the 2012 State Master Plan and in this Annual Plan as FY13, 14, or 15 projections, should be identified and reconciled.

REVENUES AND EXPENDITURES

The identification of sustainable and recurring funding is a key to achieving the goal of a sustainable and safe coastal Louisiana. With projected 3-year revenues dependant on a variety of uncertain factors (such as NRDA funds or Clean Water Act fines and penalties related to the Deepwater Horizon Oil Spill) it is vitally important that the State, the nation and all stakeholders focus attention to the need to secure dedicated funding, develop self-sustaining revenue streams, and identify specific new sources of funds for the program's future success.

We suggest the following recommendations will not only help inform the public, but will assist in garnering support for State initiatives to secure future funding streams.

Recommendation: The FY13 Annual Plan should provide an assessment of potential new sources of revenue, as well as follow up on the status of potential new revenue sources noted in prior plans.

The FY13 Annual Plan identifies NRDA dollars from the Deepwater Horizon Oil Spill as a source of new revenues. While an early NRDA settlement contains a certain level of assured funds for restoration, line items in the FY13 funding projections rely on NRDA dollars that are not yet definitely allocated to the State. The FY13 Annual Plan should provide a thorough and realistic assessment of NRDA as a potential source of funding, including funds already in hand, and funds reasonably expected in the near future.

In addition to assessing potential new sources of funding, the FY13 Annual Plan should also provide status updates on potential sources of funding introduced in previous Annual Plans. Recent Annual Plans referenced possible revenue streams that could contribute to the ultimate goal of generating sustainable future revenue for the coastal program, including the bonding of Louisiana tobacco settlement dollars and GOMESA funds, as well as carbon sequestration investments and water quality credits. While these items are mentioned in the FY12 and FY13 Annual Plans, there are no associated schedules to suggest when these dollars may actually be entering the CPR fund (aside from known values for GOMESA at present), no follow-up discussion of the specific rationale behind the outcomes of previous tobacco settlement discussions or other Coastal Finance Corporation investigations, and no reflection of any new-found revenues entering the picture within the 3-year projection tables. Each year, whether these items have made significant or any progress, or if they have been found to be infeasible, that information should be explained so that the reality of future funding may be better understood by stakeholders.

Recommendation: The State should pursue legislation that allows for increased revenues to be dedicated to the Coastal Protection and Restoration Trust Fund.

With the expansion of the program in recent years and the expected exponential growth of the program envisioned in the 2012 State Master Plan, additional sources of dedicated state revenues should be identified to provide a sufficient level of funds to match expected revenues from the Federal government, and other outside sources of funding. Though disaster funding such as

settlement dollars or Clean Water Act penalties may provide one-time lump sums, the structure for dedicating revenues to the Coastal Protection and Restoration Trust Fund from mineral revenues and royalties to the State should be reviewed and ultimately, the values increased. The value of the current fund, approximately \$25 million a year, with revenue triggers that are typically met which raise it to the \$35 million range, has been the sole dedicated source of state dollars since the 1990s. Though state surplus funds in recent years (2007, 2008, 2009), have infused much-needed coastal dollars, the current budget situation likely makes surplus dollars a thing of the past. We urge your consideration of legislation to increase state dedicated funds for coastal protection and restoration and stand ready to support the administration in any way possible to achieve this goal.

Recommendation: The Annual Plan should clearly discuss the Federal 30-Year Payback for the Greater New Orleans Hurricane Protection System (GNO-HPS)

The annual payback requirement for the State's cost share on the GNO-HPS was anticipated in the FY11 Annual Plan to be \$62 million annually. In the FY12 Annual Plan, it was anticipated to be \$80 million annually for the 3-year projection period. Now, the FY13 Annual Plan notes that the GNO-HPS payback is zero dollars in 2013, approximately \$40M in 2014 and \$63.8M in 2015 with a footnote indicating that "payback will not commence until the completion of the GNO-HPS construction activities..."

With no discussion of the negotiations that led to these substantial differences in projection of required and substantial funding for payback to the Federal government in previous and current Annual Plan language, it seems that more clarification than a footnote is in order. Since no balance sheets are included in the Annual Plan each year to reconcile differences from year to year projections, the reader cannot understand the changes in projections without further discussion. We are concerned about the potential for this debt to continue to increase due to interest accrual and that it may, in fact, overwhelm any potential available revenue that may be applied for this purpose in future years. The discussion of the GNO-HPS Payback should include a description of how the anticipated payback is estimated and how the State plans to address this issue in the future considering revenue constraints and sources of future funds that may or may not be applied for this use.

PROJECT TIMELINES AND DELAYS

Among the challenges to implementing complex, large-scale projects are the uncertainties that may impact planning and implementation timelines. Delays can be caused by numerous issues, and are only briefly referred to in the FY13 Annual Plan under various program descriptions. Cost share agreement issues with Federal partners and land rights and issues continue to be a source of concern for our groups as they relate to current and future project delays.

Recommendation: Annual Plan should clearly articulate the causes of project delays, impacts on projected timelines, and potential solutions.

We are concerned about the causes and resolution of project delays. Whether they are caused by cost share agreement issues, land rights agreements, engineering adjustments, or construction delays, changes in project completion schedules cause frustration for program staff and stakeholders.. We recommend that the State conduct a systematic review of the causes of project delays, identification of project-specific delays, assessment of recurring issues, and recommend potential solutions. These efforts over time will provide a platform for development of aggressive timelines for future project implementation and increase the State's project management capability.

The @Task project management tool funded and under development by the CPRA should provide the vehicle through which these delays could be quickly assessed, but the system has not yet come online. We look forward to the completion of this improved management strategy and request a status report on the effort in the FY13 Annual Plan.

Recommendation: The Annual Plan should highlight aggressive timelines.

Feasibility studies typically take a 3-year process to complete. Recently, however, the State and the U.S. Army Corps of Engineers (USACE) completed the LCA "Six" Feasibility Reports in 18-months. This demonstrates the ability to accelerate time schedules on both a federal and state level. This success should be highlighted in the Annual Plan, followed by a discussion of measures needed to increase the number of projects that make 18-months a normal timeframe for this phase of project development.

NON-STRUCTURAL MEASURES

We applaud the State for including a robust suite of non-structural flood protection measures as part of the 2012 State Master Plan. We firmly believe that the non-structural commitment in the Master Plan is a great first step, and we look forward to further vetting plans for non-structural implementation within the boundaries of the 2012 State Master Plan. The FY13 Annual Plan should also update and activate this commitment.

Recommendation: The Annual Plan should provide an update on ongoing non-structural programs and projects developed and discussed in previous Annual Plans.

The FY11 Annual Plan (pg 55) committed the State to incorporating non-structural measures into the coastal program via CPEX's Coastal Land Use Planning Toolkit. The FY12 Annual Plan provided no update on this or other current programs or projects (such as the Coastal Best Practices Manual being developed by CPEX) and how they are being funded. We recommend that the FY13 Annual Plan define and describe the CPEX initiative and status, particularly since this project was funded solely through State surplus dollars. The plan could easily incorporate succinct summaries of all of the program/project elements currently in place including but not limited to the Coastal Land Use Planning Toolkit, Best Practices Manual, and coastal pilot community programs.

Recommendation: The Annual Plan should detail proactive steps to implement the non-structural risk reduction measures included in the 2012 State Master Plan for coastal communities.

The 2012 State Master Plan, in Appendix G2, lays out the components of an implementation strategy for non-structural projects and programs, and makes recommendations on how the State can best remove obstacles to facilitate implementation. The FY13 and all subsequent Annual Plans should include a section that addresses how the State is progressing on these recommendations. For instance, the 2012 State Master Plan notes the need to identify lessons learned from the Road Home and HMGP experience, and to incentivize important programs (such as land use planning) where they are not currently in place. The FY13 Annual Plan should take these broad non-structural implementation concepts of Appendix G2 and break them down into action steps to integrate lessons earned, build on regional leadership, identify sources of funding, and streamline implementation of non-structural projects and programs.

Recommendation: The Annual Plan should outline a process for designating a single entity to coordinate and lead non-structural implementation and resiliency efforts as recommended in the 2012 State Master Plan.

The 2012 State Master Plan Appendix G2 notes the recommendation for a single entity to coordinate and act as a clearinghouse for all coastal nonstructural mitigation activities, and suggests a Non-Structural Standing Committee of the CPRA to serve this function. The FY13 Annual Plan should outline a process for identifying the authorities and funding streams currently housed in various state agencies that would be consolidated, the jurisdiction and role of a single entity/coordinator, and the staff and resources needed to support such an entity in functioning efficiently. The FY13 Annual Plan should set up a timeline for this process, and identify potential sources of funding available for non-structural resiliency measures to ensure that this important set of elements can be implemented quickly when communities are ready. The FY14 Annual Plan should contain a detailed report on this process as well as report on newly coordinated nonstructural projects and programs.

Recommendation: The FY13 Annual Plan should also outline a process and timeline for creating an ongoing forum for discussion of non-structural activities (a recommendation of the 2012 State Master Plan).

Appendix G2 of the 2012 State Master Plan also contains a recommendation for an on-going forum among a variety of stakeholders, including state and local agencies responsible for hazard mitigation and community resilience, for discussion and exchange of information related to nonstructural mitigation coast-wide. We suggest that such discussions should be designed to acquire the information needed to effectively address the range of complex issues embodied in non-structural programs, including sensitive subjects such as relocation, as they arise.

Recommendation: The FY13 Annual Plan should detail all money being spent on the non-structural goals of the 2012 State Master Plan.

Most of the sources of money for implementing non-structural programs flow from federal sources such as CBDG and HMGP and others. The Annual Plan should identify the sources of

money throughout the state that are currently being spent on non-structural, and describe how these dollars, which frequently flow in response to disaster, will be directed toward the non-structural goals of the 2012 State Master Plan.

ADDITIONAL GENERAL COMMENTS

In addition to the detailed comments above, we would like you to consider these additions to the Annual Plan:

- The FY13 Annual Plan should provide status reports for initiatives that have been contemplated or completed in recent years including Coastal Carbon Offset Program, the Innovative Dredging Technology Program, The Water Institute of the Gulf, @Task Project, among others.
- There are five projects involving beneficial use of MRGO maintenance dredging material for restoration activities currently listed in the ongoing protection and restoration section (Appendix A) of the FY13 Annual Plan. The five projects are listed in OCPD Program Section 204/1135 and are called: MRGO Breton Island Restoration Mile -2.3 to 4.0, MRGO Breton Island Berm Mile -2 to -3, Mississippi River Gulf Outlet Mile 14 to 11, Mississippi River Gulf Outlet Mile 14 to 12 (2002) and Mississippi River Gulf Outlet Mile 14 to 12 (2003). As maintenance dredging of the MRGO is no longer conducted, clarification of the available sources of funds to be used to implement these projects is requested.
- The FY13 Annual Plan offers a completion date for design of White's Ditch Project (LCA) as 4th quarter of 2014. We recommend clarification as to whether the completed design will be a White's Ditch at the LCA 40,000cfs level, or a 5,000cfs level as noted in the 2012 State Master Plan.
- Reports and white papers that have been created under the auspices of the CPRA Implementation Office, including LACES, should be made available to the public. Please provide links for the CPRA reports referenced in the FY13 Annual Plan as well as those previously completed by the CPRA.
- The role of science is extremely important in planning and implementing effective coastal projects. We commend LACES for increasing understanding of river and land building mechanisms through research activities related to the 2011 flood. While the LACES initiative was designed to provide the State with an in-house science capacity, we recommend a discussion of how LACES will operate either independently or in tandem with the recently created Water Institute of the Gulf.
- The Annual Plan describes the CIAP program status and projects, but neither describes the recent redistribution of funds that occurred during 2011 nor the reduction in funding from the recent President's budget. Such information would be extremely helpful to the groups who support this valuable program.
- The 2012 State Master Plan acknowledges the State's responsibility to reasonably engage with stakeholders – landowners, communities, and others whose interests intersect with specific projects and provisions in the Plan. The FY13 Annual Plan should elaborate on

foreseeable instances during the timeframe of the Annual Plan when such engagement might take place, and what form stakeholders could expect it to take. Setting appropriate expectations in this regard and following through on them will serve over time to increase more efficient project planning and implementation, as well as contributing to increased understanding between the State and stakeholders.

- We appreciate the State's efforts to improve the website as a go-to source of easy-to-access, regularly-updated, detailed information on the program as a whole. We are hopeful the website will continue to include all historic and recent CPRA and Governor's Advisory Commission meeting minutes and transcripts. These meetings provide both a valuable window into the decision-making process and public comment venue for programs such as NRDA. Making this information available enhances the transparency of the CPRA and will also alleviate the potentially burdensome task of responding to numerous specific public requests for minutes or other relevant meeting information.
- While we understand that CWPPRA projects and many CIAP projects use the Wetland Value Assessment process (WVA) to calculate the potential "Acres Benefitted" (AAHUs), it would be helpful if the Annual Plan indicated which projects used WVA or, in fact, other methodologies to predict benefits. We are also interested in having the Annual Plan report on actual benefitted acres derived from the implementation of these projects (and throughout their authorized lifespan), and suggest a link or reference to monitoring data where this information may be accessed.
- We recommend that future Annual Plans report on the use and status of the decision criteria defined in the 2012 Master Plan, particularly measurable factors such as sustainability and use of natural processes.

In closing, we are optimistic about the near and long-term future of Louisiana's coastal program. The bold yet realistic strokes of the 2012 State Master Plan, in combination with the finer details of funding, implementation, and follow-through in the FY13 and subsequent Annual Plans, bring revived hope for the future of our coast. Thank you for your consideration of these comments, offered in the light of our mutual goal to continually seek improvements to the good work already underway.

Sincerely,
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