Pelicans perch on a shrinking grove of mangrove trees in 2010 on Cat Island in Barataria Bay southwest of Port Sulphur. A report says Louisiana should strive to sustain a job sector created around coastal restoration efforts, even after settlement funds from the BP oil spill are depleted.

Report: Leverage BP funds for a new coastal restoration industry

BY TIMOTHY BOONE  
tboone@theadvocate.com

Louisiana is on track to receive at least $8.7 billion from BP over the next 15 years for coastal restoration efforts, a move that will create thousands of jobs and protect important industries such as fisheries, ports and energy.

But the biggest opportunity and challenge is to leverage the money from the Deepwater Horizon spill settlement to create a self-sustaining water management industry, according to a report released Wednesday by The Data Center, which tracks changes to the New Orleans economy from Hurricane Katrina.

The Data Center notes that massive infusions of spending have jump-started job clusters, citing as examples how World War II-era military spending on radio technology led to the establishment of Silicon Valley. But Louisiana faces some challenges, such as a short supply of educated workers, low levels of producing patents in the area and the fact that while investment capital is concentrated in New Orleans, the research muscle can be found in Baton Rouge.

George Hobor, who helped put together Louisiana's first coastal index, said the fact that the state has been cutting funding for higher education is "an incredible hindrance" to establishing a job cluster centered on coastal restoration. The biggest driver for local economies is having an educated workforce, he said.

"Our support for education has been on a constant decline. That's no way to build a specialized, modern economy," said Hobor, who serves as healthy communities director for the Louisiana Public Health Institute in New Orleans.

Steve Cochran, director of the Restore the Mississippi River Delta Coalition, a group of five local and national environmental organizations, said Louisiana is in an unusual situation to develop a coastal restoration industry.

"On one hand, south Louisiana is imperiled by a combination of sinking land and rising water levels. "We're ahead of a lot of other places in the country and around the world," Cochran said. That means the skills and innovations developed to protect the Louisiana coast can be exported across the world.

The other thing is that because of the BP settlement, the state has a consistent flow of money coming in for the effort over the next 15 years. That's in contrast to tax or oil revenues, which can go up and down based on the economy. "We have opportunities to transition workers from one area to another," he said.

The key is for Louisiana to leverage the unique circumstances and develop an industry centered around coastal restoration. If the state fails to do so, there are plenty of other cities that will face the same challenges from rising water levels, such as Miami, New York City, Houston and San Francisco.

"If we don't take advantage of this, other places will," Cochran said.

Robin Barnes, executive vice president and chief operating officer of GNO Inc., said the infusion of BP funds could be an economic boon to south Louisiana, just like how all of the federal dollars for Hurricane Katrina restoration benefited New Orleans in the mid-2000s. One small peak at the future can be found in the $200 million in contracts that Louisiana companies landed in New Jersey and New York after Hurricane Sandy.

Developing a super-regional economy that links Baton Rouge, New Orleans and Houma-Thibodaux has been an ongoing effort between GNO Inc. and the Baton Rouge Area Chamber for the past several years. "There's so much value in a regional approach," she said. "This is a special situation that we have to do together."

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