Lawsuit seeks to void leases for dredging

By BOB ANDERSON
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Shell dredging leases granted by Louisiana are illegal because state officials failed to follow public bid laws, the Sierra Club says in a suit filed Wednesday.

“Shell dredging under the leases is further destroying reefs and islands which mark the boundary of the state,” says the suit, which asks that the leases be voided.

The destruction of boundary reefs results in the potential for “vast losses of oil and gas revenue by moving the line of demarcation between state and federally owned lands in a landward direction,” according to the suit against the Department of Wildlife and Fisheries.

The dredging is also accelerating erosion and retarding the building of new marsh in the Atchafalaya Bay area, the suit says.

It is “highly destructive of water quality and fish, shrimp, crab and oyster production,” the suit says. The dredging damages the economy of seafood industries as well as those businesses that process and sell seafood, the petition says. That, in turn, means reduced tax income to the state, the suit says.

Jesse Guidry, secretary of Wildlife and Fisheries, declined to comment on the suit Wednesday afternoon, saying he had not yet been served with a copy.

But in recent weeks that department, which let the leases and receives income from them, and the shell dredging companies said the dredgers can prove they have not taken shells in restricted areas, which include the state’s boundary reefs.

Jesse Knowles, who chaired the Wildlife and Fisheries commission when the leases were approved, said the matter received sufficient publicity so that all firms that

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had the capability to dredge shells were aware that the leases were being negotiated.

The shell leases call for royalties “substantially below the price that would be reasonably obtained by following the free enterprise public bid laws of the state,” the suit says.

Based upon the amount Texas receives for its shells, the lease, which the Wildlife and Fisheries Commission approved last year, would result in a loss of more than $7 million a year to the state, according to the suit.

But a spokesmen for the shell dredgers says that is not accurate, because Texas has killed its shell dredging industry with the high royalties it demands.

The suit also says that the leases are illegal because Louisiana law restricts shell leases of state water bottoms to Louisiana residents and Louisiana corporations. One of the firms to which state water bottoms are leased is Radcliff Materials Inc., which is an Alabama Corp.

Also, state law provides for the state granting leases that permit the taking of shell deposits only from shell reefs, the suit says, but some of the leases provide for dredging of non-reef shells.

The dredging takes up not only shells, but water, mud and fish, according to the suit.

On May 18, Wildlife and Fisheries entered into a lease with Radcliff Materials Inc. and Lake Charles Dredging and Towing Co., allowing them to take shells from certain coastal water bottoms in Vermilion, New Iberia and St. Mary Parishes.

On the same date, the department entered into leases with Radcliff Materials Inc., Louisiana Materials Co., Pontchartrain Materials Corp. allowing the companies to take shells from the bottoms of Lakes Pontchartrain and Maurepas.

On Sept. 29 the department entered into leases with Radcliff Materials Inc., allowing the firm to take shells from certain water bodies in St. Mary, New Iberia and Terrebonne Parishes.

The Sierra Club was one of several environmental and sportsmen's organizations that voiced opposition at public hearings to the granting of permits allowing the companies to dredge the areas they had leased.

The Department of Natural Resources granted the permits, but added a number of restrictions to the federal permits, which had previously been the only permits the companies needed.