

Senate Small Business Committee

Field Hearing, Lafayette, LA

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Kam Movassaghi

Mr. Chairman and members of the committee: Thank you for the opportunity to be here. My name is Kam Movassaghi. I am a professional civil engineer, former Secretary of the Louisiana Department of Transportation and Development, and a former professor of civil engineering at the University of Louisiana in Lafayette. I recently retired as president of Fenstermaker, a regional consulting engineering firm headquartered here in Lafayette. I have over 45 years of experience in academia, government service and the private sector, mostly specializing in transportation systems.

I am here to talk about the important role that an efficient transportation system can play in stimulating economic growth, especially as it relates to the day-to-day operation of the small business sector.

I live in south Louisiana, an area that is a major producer of oil and gas for our country. Eighty percent of the nation's offshore oil and gas supply comes from or through Louisiana, which amounts to almost 30% of the entire energy consumption in the country.

Lafayette Parish has the highest concentration of oil and gas businesses in the state--almost 800 businesses. If other related services such as surveying, engineering, and equipment manufacturers, testing, etc. were also considered, then Lafayette would have well over 1,200 oil and gas related businesses. These businesses include large companies such as Chevron, Shell, Halliburton, Baker Hughes, Weatherford, and Frank's International, along with hundreds of smaller local businesses.

A majority of these businesses both in Lafayette and the parishes to the south is located along US-90 connecting Lafayette to New Orleans. Allow me to cite a few statistics regarding this corridor:

- More than 2,000 oil and gas companies operate within the corridor ranging from small businesses to companies with 3,000 employees.
- The Energy Corridor is home to 72% of platform fabrication facilities in the Gulf of Mexico.
- Four of the top 10 ports in the U.S., in terms of tonnage, are accessed from the Energy Corridor.

- More than 80% of the main offshore support-vehicle operations for the Gulf of Mexico is located along the Energy Corridor.

US-90 has always been the major route connecting communities in south Louisiana. Congress designated it as Priority Corridor 37 in 1995 and, subsequently, TEA-21 legislation in 1998 labeled it as Future I-49. The greater Lafayette Chamber of Commerce named and registered this highway as America's Energy Corridor in 2009.

The Future I-49 also connects to LA-1 that feeds Port Fourchon, an offshore oil industry supply port that services 90% of all deep-water rigs and platforms in the Gulf of Mexico. Fort Fourchon is also host to Louisiana Offshore Oil Port (LOOP).

A recent study of the economic impact of this port reveals that the total number of jobs directly related to Port Fourchon in Louisiana is over 10,800, and for every one job created in Port Fourchon, another 5.2 jobs are created elsewhere in the state to support it.

I provide the above statistics to demonstrate the highly critical role that US-90 plays to link these businesses as either a supply or a demand node. Unfortunately, this highway and its feeder roads are in very poor condition and therefore directly affect businesses, large and small, that critically depend on this highway.

In 2012, the American Society of Civil Engineers' Louisiana Report Card gave Louisiana roads a grade of D; our bridges received a D+. US-90's current condition, unfortunately, does not deserve a higher grade.

If the objective is to support our small businesses, especially those involved in energy production, then a simple approach should be the development of an efficient and safe network of highways for the delivery of raw material and transport of finished goods to the markets. Every hour of delay due to congestion, every broken windshield or busted tire, and every crash due to poor road condition affect the bottom dollars of these businesses and the lives of their employees.

The current condition of this highway is poor; it needs to be upgraded to an interstate class roadway. Further, the associated congestion issues in the city of Lafayette, where this highway traverses through its core, must also be addressed

Obviously, funding is always the issue. With the current disagreement in Congress in passing a long-term highway bill, the issue has become more exasperating. The local responsible agencies are unable to undertake long term planning – a fundamental must for transportation infrastructure development – forcing administrators to only

concentrate on very short term remedies. We need major transplant surgery but can only provide Band-Aids.

In summary, please allow me to offer a few suggestions related to the national issues:

1. Please pass a long-term highway bill; we can't go on with short-term extensions.
2. Include Future I-49 South as part of the National Freight Corridor Network. This provision was enacted in the SAFETEA-LU legislation
3. Attach a high priority to this corridor because of its importance to energy production.

To ease congestion within the Lafayette urban area:

1. Expedite development of the Lafayette Regional Expressway project as a by-pass for I-49, which traverses through the center of Lafayette.
2. Advance construction of a new bridge across Vermillion River to ease the current load on the existing three bridges within the urbanized area.
3. Implement a plan for intersection improvement at major urban intersections such as Ambassador Caffery Parkway and Kaliste Saloom Road.
4. Expedite construction of roundabouts already targeted by Lafayette Metropolitan Organization.

I will attempt to answer question and thank you very much for your attention.