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June 23, 2014

Secretariat for the Quadrennial Energy Review
U.S. Department of Energy
Via Email: QERComments@hq.doe.gov

RE: Quadrennial Energy Review: Comment on the Public Meeting "Petroleum Product Transmission & Distribution (including CO2/EOR)" held May 27, 2014, New Orleans, LA.

Dear Secretariat:

For more than a decade, the America's WETLAND Foundation (AWF) has acted as a neutral convener of diverse economic, energy, environmental and community interests in Louisiana and along the Gulf Coast, raising awareness of impacts of Louisiana's coastal land loss on the state, nation and world. Through its America's Energy Coast (AEC) initiative, the Foundation works to sustain the environmental and economic assets of the U.S. Gulf coastal region, bringing all interests to the table for a balanced approach to the challenges, opportunities and solutions.

For the purposes of the Quadrennial Energy Review, the AWF respectfully submits three benchmark reports created from knowledge and resources drawn from the America's WETLAND Foundation's public opinion research, stakeholder workshops, conferences, and leadership forums. The reports reflect the strong regional voice AWF has gained through the years.

For more information on the America's WETLAND Foundation and its America's Energy Coast initiative, its past and ongoing efforts, please explore the website at www.americaswetland.com.

Below are descriptions of the reports by the Foundation for your review and consideration in future policy decisions:

[Secure Gulf Project: Sustaining Natural Resources and the Communities of America's Energy Coast](#) The Foundation released this report in 2010 after the BP spill. It was created from consensus opinion among varied stakeholders and interests in the offshore energy producing states of Texas, Louisiana, Mississippi, and Alabama through the Foundation's America's Energy Coast (AEC) initiative. The report includes key findings about landscapes, communities and cultures along the Gulf Coast, the consequences of disasters, the effects of climate change on the region, and scale of challenges facing this region that is critical to the energy security of the U.S., its economic and environmental health.

[Beyond Unintended Consequences: Adaptation for Gulf Coast Resiliency and Sustainability](#) This report, released by AWF in 2012, is a report of findings on adaptation for Gulf Coast resiliency and sustainability, based on leadership forums held in 11 Gulf communities from South Padre Island, Texas to Perdido, Florida. At each of the forums, participants were presented with research done by Entergy Corporation, in partnership with AWF, that revealed on a zip code by zip code basis, the effects of sea level rise and storm surge on critical infrastructure along the coast. The research showed that over the next 20 years, the cost of maintaining this infrastructure would outpace the region's economy if adaptation measures were not taken. This was an eye-opening experience for the participants that prompted communities to envision the future of their economies and cultures and how to sustain them. As a result, the communities initiated or hastened resiliency planning.



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Coastal Sustainability, Resiliency and Adaptation

This recently released report by AWF outlines how the Foundation and its partners are building on years of progress with its partners in pursuing initiatives that address significant challenges of coastal land loss and deterioration. The key objectives outlined tackle how to finance restoration, build with nature, Mississippi River and Delta system health, community resiliency, and ecologically sound energy development. This portfolio of programs emphasizes innovative solutions and incentives for private landowners, businesses and industries, NGOs, and local governments to participate in restoration.

Solutions focus on the beneficial use of carbon, beneficial use of dredged materials and regulatory streamlining, mitigation banking for landscape scale restoration, and reclaiming fallow coastal prairies with green crops for multiple environmental benefits and to create revenue streams for private landowners to incentivize restoration efforts. Key to all these efforts is setting agreed-to ecosystem values to be included at every level of analysis of costs and benefits of projects; the establishment of worth of rebuilding coastal lands will enable greater private investment, a key component in sustaining the Gulf region.

If there are questions about these reports or any of the reports released by the America's WETLAND Foundation, please contact us at 504-293-2610 or 866-4WETLAND. Our address is 365 Canal Place, Suite 1474, New Orleans, LA 70130.

Please feel free to contact me with any questions. We look forward to a successful 2014.

Sincerely,

Sidney Coffee

Sidney Coffee
Senior Advisor
America's WETLAND Foundation

Below:
Coastal Sustainability, Resiliency and Adaptation

Links to the Other Reports Mentioned Above:

Secure Gulf Project:
<http://www.americaswetland.com/photos/article/092010AECSecureGulfReportFINAL.pdf>

Beyond Unintended Consequences
http://www.futureofthegulfcoast.org/AmericasWETLANDFoundation_Beyond.pdf



2014-2015 ADAPTATION FOR GULF COAST RESILIENCY AND SUSTAINABILITY PROGRAM

BACKGROUND

Today's primary global challenges involve water and the loss of critical coastal landscapes. These highly productive regions are rich in natural resources, host energy and navigation infrastructure, drive national economies and are stressed by population growth. Some of America's most important environmental and economic assets can be found along the Gulf Coast from Texas to Florida, including the Mississippi River Delta, a region experiencing the greatest loss of wetlands on the planet - the equivalent of a football field of land lost each hour.

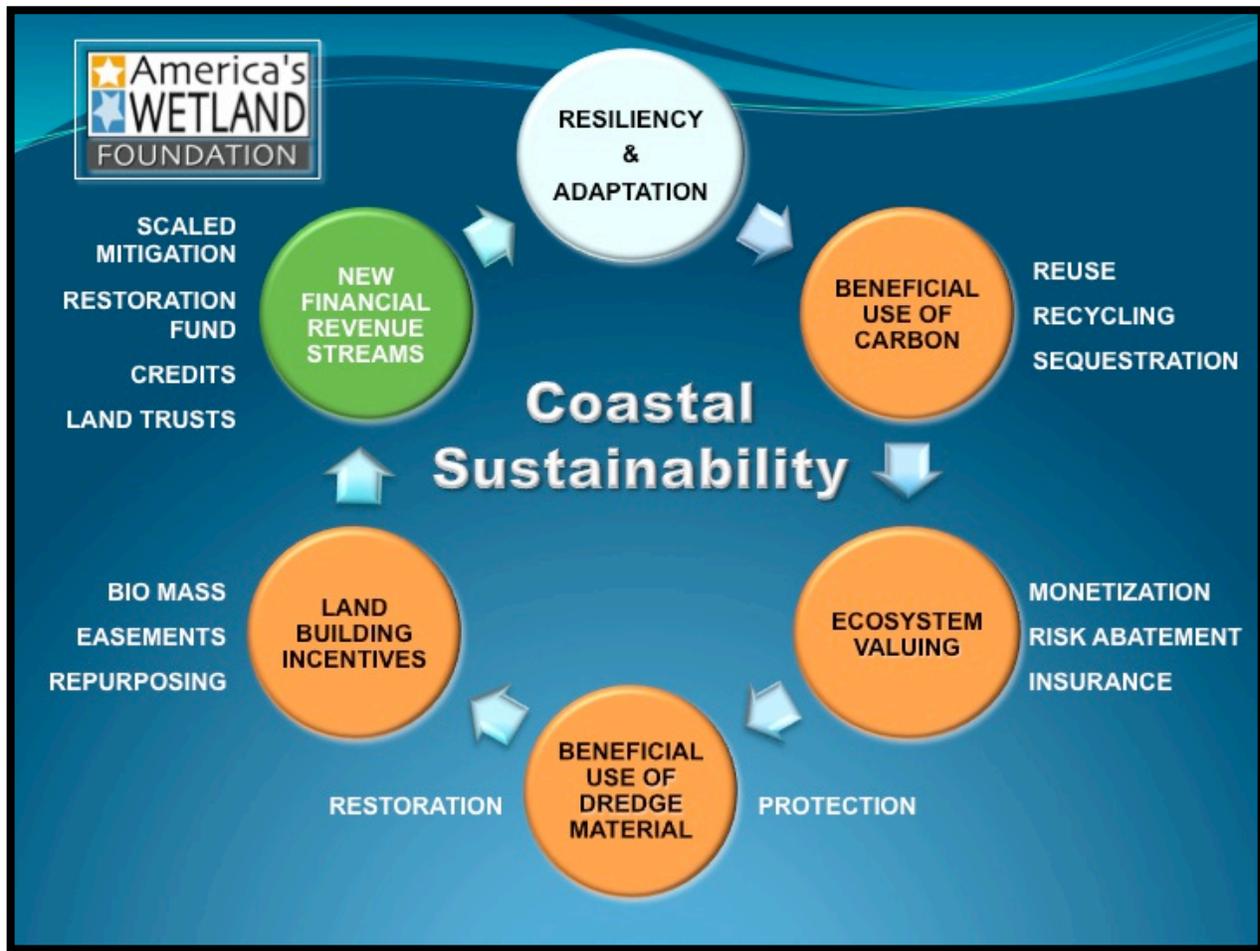
Since its inception in 2002, The America's WETLAND Foundation (AWF) has developed integrated strategies to address Louisiana's coastal land loss and related challenges of coastal degradation along the Gulf. AWF programs serve to build awareness and support for America's WETLAND and the Gulf region, a place of world ecological significance and key to America's energy and economic future. In less than a decade, the Foundation's public awareness and engagement initiatives have brought coastal issues to international recognition. In Louisiana, 74 percent of voters say that coastal restoration is the issue of their lifetime, and 86 percent of Texans agree that Texas' booming economy depends on a healthy coastal environment.

With its America's Energy Coast (AEC) initiative in the four Gulf energy-producing states, AWF has accumulated knowledge and resources that draw from public opinion research, stakeholder workshops, conferences and the development of benchmark reports. Leadership forums convened throughout the Gulf Coast by the Foundation have yielded a strong network of stakeholders from diverse interests who develop policy positions, seek consensus on solutions and gather best practices and research to address urgent issues of coastal sustainability and community resiliency. The AEC has gained a respected voice as a neutral arbiter around issues of sustainability that challenge the Gulf Coast and its private sector leaders to support the "Strong Coast, Strong Texas" and "America's WETLAND" campaigns.

COASTAL SUSTAINABILITY & RESILIENCY INITIATIVES

Building on more than a decade of progress in collaboration with non-governmental organizations (NGOs), business, academic and governmental partners, AWF is pursuing an agenda of initiatives that address some of the most significant challenges of coastal land loss – financing restoration, building with nature, Mississippi River and Delta system health, community resiliency and ecologically sound energy development. This portfolio of programs emphasizes innovative solutions and incentives for private landowners, businesses, NGOs and local governments to participate in coastal restoration. Recent polling in Texas and Louisiana shows a vast majority of voters agree that it will take the cooperation of all sectors to address the region's complex coastal challenges. To that end, AWF has launched a new public awareness initiative to illustrate partnerships between private industry, NGOs and local

governments that will build understanding and support for strong sustainability partnerships and incentives to encourage more coastal restoration projects in the region. The diagram below illustrates AWF's portfolio of actions and solutions for coastal sustainability, resiliency and adaptation.



A National Coalition for Coastal Resiliency

Rising sea levels, extreme weather and aging infrastructure pose a threat to the nation's security and economic future. AWF/Entergy research across all Gulf Coastal communities concluded that infrastructure destruction and resulting community dislocation from natural and man-made disasters will cause serious challenges to coastal state economies in the future. Responding to these issues, AWF held eleven leadership forums in the five Gulf states, releasing, "**Beyond Unintended Consequences: Adaptation for Gulf Coast Resiliency and Sustainability,**" a pragmatic report with policy recommendations for building resiliency. The Foundation is now collaborating with a number of partners across coastal America, including the National Institute for Coastal and Harbor Infrastructure and the Union of Concerned Scientists, to build a coalition of diverse interests to help develop a comprehensive, national approach to coastal resiliency. This effort will include demonstration projects and program recommendations to encourage innovation, scale up best practices, streamline governmental policies, address insurability issues, create new funding mechanisms and engage the private sector and the public in adaptation measures for a more resilient national coast.

Beneficial Use of Carbon - Beneficial Use of Dredged Materials – Regulatory Streamlining

While the U.S. carbon debate continues, AWF and its AEC initiative have promoted carbon sequestration, recycling and reuse as sound business means to rebuild eroding wetlands and raise critical financial resources in the process. Innovative tactics are feasible in this carbon-rich region, if investment and regulatory incentives emerge for private sector land building. AWF leverages the work of earlier AEC partnerships to advance protocols for carbon sequestration through proof of concept. The Foundation and its partners seek to help facilitate expanded restoration efforts with the participation of private energy companies, NGOs, communities and the states of Louisiana and Texas.

Stakeholders across the Gulf Coast agree on the need to streamline processes and conflicting federal policies that delay restoration. AWF and its partners will continue to advocate for enhancing Corps of Engineers' ability to execute priorities for the beneficial use of dredged materials with funds available through new carbon sequestration wetland credits.

There is also consensus on a number of related policy and regulatory changes that will speed restoration, such as using the Harbor Maintenance Trust Fund (HMTF) for its congressionally prescribed purpose of beneficial dredge use in the Gulf Coast region, especially to sustain the country's navigation system. The use of dredge spoils in areas where coastal erosion degrades critical environmental and economic/energy assets must be a national priority during the next 10 years to avoid enormous economic, environmental and social consequences.

Ecosystem Valuing, Private Financing & Mitigation to Advance Coastal Restoration

AWF continues to convene scientists, experts and stakeholders nationwide to advance a process for valuing and monetizing coastal ecosystem services. Beginning with an initial design session hosted by Tabasco® at Avery Island, La., AWF and partners will build an inventory of current resources, identify gaps and develop a consensus agenda to incorporate the value of ecosystem services into coastal restoration and protection decision making. The goal is to create incentives for land building to reduce risk and improve upon cost-benefit calculations that fail to account for the social and economic costs of disappearing coastal landscapes, with implications for risk valuation and insurability.

Ecosystem valuing is important as the Foundation works to encourage incentives for restoring private lands through the advancement of credit programs and by addressing legal impediments that restrict access to mineral rights on lands where surface rights are donated for restoration projects. The Foundation is also gaining insight and policy direction for consideration of a pooled fund from mitigation fines and penalties that could support large-scale restoration. The current patchwork of smaller mitigation projects may be inadequate to meet broad ecosystem challenges and are often not in keeping with a comprehensive restoration approach.

Attention is also being paid to innovative financing scenarios through private investment in large-scale mitigation banking and environmental exchanges for coastal restoration and conservation. Coordinating NRDA, 404 and Discounted Service Acre Years Credits to benefit coastal restoration is an urgent need that will provide up front private financing for project-ready programs, such as those currently approved in Louisiana's Comprehensive Coastal Protection and Restoration Plan. Of particular interest is work by Rice University's Dr. Jim Blackburn and a team of colleagues developing the Lone Star Coastal Exchange, a research project by the SSPEED Center of Rice University for the National Parks Conservation Association, under a grant from the National Fish and Wildlife Foundation. Utilizing the environmental exchange strategy for ecosystem enhancements and restoration by voluntary private funders to offset what ecosystem services are used in creating products, goods or services is a step in the right

direction for corporate sustainability. These exchanges can be in the form of carbon offsets or sequestration credits, habitat or ecosystem exchanges, or even nutrient exchanges to improve water quality by offsetting discharges. AWF's goal is to establish voluntary environmental exchanges as a good business practice in Louisiana to help restore coastal landscapes.

Ultimately, the global movement toward ecosystem sustainability and environmental protection will lead to financial markets and an environmental asset class creating mechanisms to monetize restoration and conservation assets. The Gulf Coast is situated to host such investment and to develop new voluntary or market-driven programs spurred by interest in environmental investing, which can be demonstrated in Texas and Louisiana. According to the CFA Institute Research Foundation, "The new asset class of environmental goods is just in its infancy and holds enormous promise." Already, trillions of dollars, pounds, euros, and yen are being managed in the world's financial markets with a view to environmental factors. Driving this change are the significant risks and opportunities of global environmental threats. *

Reclaiming Lands with Green Crops

AWF is working with public and private partners to demonstrate the environmental and economic benefits to landowners, farmers and companies by using native grasses to recharge fallow pasture lands damaged by saltwater intrusion. These hardy grasses can be harvested and manufactured into bio-energy products such as pellets to replace coal in European markets, creating revenue streams, watershed improvements, run-off reduction, soil carbon sequestration and wildlife habitat improvements for hunting and recreation. AWF believes that a successful *Green Crops* demonstration project has the potential to generate momentum and incentives for a much broader initiative with great appeal to landowners across southwest Louisiana and southeast Texas.

A NATIONAL PRIORITY

For more than a decade, the America's WETLAND Foundation has built the public and political will necessary to address challenges that are now becoming a part of the national conversation on future environmental health and economic/energy security. This decade of experience and lessons learned, along with the robust network of relationships across the Gulf Coast and nationally that accompany it, have positioned the America's WETLAND Foundation to help advance national progress from regional demonstrations on the related challenges of coastal resiliency, adaptation and sustainability. By demonstrating innovation, public/private cooperation and an emerging environmental market asset class, AWF's strength of bringing balance and inclusiveness to decision making can lead to a new era of coastal sustainability and conservation.

* EPA Environmental Performance and Financial Markets