Richard Burgess

Construction of a proposed 162-mile oil pipeline across south Louisiana will likely generate $830 million in economic activity and create more than 2,000 direct and indirect jobs, according to an industry-funded study released Tuesday by the LSU Center for Energy Studies.
The companies building the Bayou Bridge Pipeline, which has been met with strong opposition from environmental groups, are now seeking the federal and state permits required for the project.

The pipeline would run from Lake Charles to St. James, connecting refineries in southeast Louisiana to a major oil-and-gas hub in Texas that provides a link to emerging oil fields in the western U.S.

Tapping that growing supply of domestic crude oil is critical for the state's petrochemical industry, which employs more than 2 percent of the state's workforce, said Gregory Upton, a professor at the Center for Energy Studies who authored the study with center Director David Dismukes.

Energy Transfer Partners, one of the main companies behind the pipeline project, commissioned the study.

It found that construction of the pipeline would have an $829,361,176 million economic impact, create 1,529 direct jobs and 552 indirect jobs, and generate roughly $56 million in tax revenue for state and local governments.

Many of those jobs are at Stupp Corp., a Baton Rouge steel-pipe fabricator that won a major contract for producing pipe for Bayou Bridge.
Stupp Vice-President of Corporate Strategy and Development Chip McAlpin said the Bayou Bridge contract has saved 250 jobs at the company's Baton Rouge facility on Ronaldson Road at a time when the oil-and-gas industry is struggling.

"Without the project, we did not have enough backlog to have continued to have kept those employees here and would have temporarily idled that facility," McAlpin said.

The direct long-term economic impact of the proposed pipeline would be more modest, according to the study.

It found the project would create about 12 permanent jobs and, during the first five years of operation, have an economic impact of about $9.5 million and generate about $250,000 in state and local taxes.

Upton said just as important, though, is the viability of the state's petrochemical industry, which needs a reliable stream of economical oil to remain prosperous, and much of the domestic oil now being produced in the U.S. is in west Texas and the Midwest region.

"In order for this industry to continue, and to continue to be resilient and to continue to provide these jobs, it needs a source of crude oil," Upton said.

The report was released a day before a scheduled state Department of Natural Resources hearing in Napoleonville on Wednesday for one of the permits needed for the pipeline.

A public hearing last month for a required U.S. Army Corps of Engineers permit attracted more than 400 people, including a large contingent of opponents.
The Bucket Brigade, the Louisiana chapter of the Sierra Club, the Gulf Restoration Network, the Atchafalaya Basinkeeper and five other environmental and conservation groups have come out against the project.

Opponents have cited concerns about possible leaks, environmental damage in the Atchafalaya Basin, which the pipeline would cross, and the need for Louisiana to begin transitioning away from fossil fuels and toward sustainable energy.

Supporters of the project argue that modern pipelines are a much safer alternative than transporting crude oil through the state on barges, in trucks and on trains.

"Moving crude oil and/or refined products by pipeline is universally supported as the safest way to move products and crude," said Chris John, a former congressman who now serves as president of the Louisiana Mid-Continent Oil and Gas Association.
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