

THE BOND BUYER

Shoring up infrastructure against climate change: pay now or more later

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The cost of protecting U.S. infrastructure against climate change is costly — but the cost of doing nothing is higher.

That was the message today from Louisiana Gov. John Bel Edwards and other witnesses who testified at a Senate Budget Committee hearing on the fiscal fallout from climate change.

Louisiana is one of the states hardest hit by climate change-related extreme weather, Edwards said.

In the wake of Hurricane Katrina — a \$170 billion storm that remains among the country's costliest disasters — Louisiana implemented a 50-year, \$50 billion coastal restoration plan to shore up the state, which is already losing thousands of square miles of land to the Gulf of Mexico.

The state is spending a minimum of \$1 billion a year on the plan, he said. "What we're doing is on a scale with anything happening in the world right now," Edwards said.

"These upfront investments, while costly, can save an awful lot of money on the back end," he said. If Louisiana stays on track with its 50-year program, "we believe we will have less risk in 50 years than we do today, even with climate change."



Louisiana Gov. John Bel Edwards told Senators that the state's 50-year coastal resilience plan is "on scale with anything happening in the world right now."

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The Senate hearing marked the latest in a series held by the Democrat-controlled chamber on the risks to the U.S. from climate change. It's the 11th climate-related hearing held by the budget committee since Sen. Sheldon Whitehouse, D-R.I., took the helm in February.

The U.S. already faces a \$2.6 trillion funding gap across all infrastructure sectors, according to the American Society of Civil Engineers. That figure is projected to climb by tens of billions of dollars each year due to climate change risks, said Tulane University professor Jesse Keenan who testified at the hearing.

Last year carried a total price tag of at least \$165 billion just from extreme weather, according to the National Oceanic and Atmospheric Administration.

States and local governments should prepare to deal with domestic climate migration, which is already "well underway," Keenan said. From 2023 to 2030, the same number of people are expected to migrate due to climate as were

displaced during the Dust Bowl, he said. "The combination of fiscal shocks and outmigration of local ratepayers and taxpayers is a substantive concern for jurisdictions who struggle to stabilize populations following disasters," he said.

Louisiana Sen. John Kennedy, a Republican, is working with Democrats to push for passage of the Reinvesting in America's Shoreline Economies and Ecosystems, or RISEE, Act. The legislation, which Edwards said would be "game-changing" for Louisiana, would create several dedicated streams of funding for states to use for coastal resiliency infrastructure and create a new revenue sharing model from federal offshore wind that would be shared between the federal government and coastal states. The money would go to all coastal and the Great Lake states.

Democrats can hold all the climate-change hearings they want, but it's futile until Congress passes major permitting reform that's needed to speed up infrastructure projects, said Republicans.

"The Democrats' grand visions of renewable energy are just that, unless they reverse course on their disastrous environmental permitting positions," said Sen. Charles Grassley, R-Iowa.