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## La. governor eyes turning Mississippi River delta reconstruction into carbon credit market

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**Associated Press**  
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NEW ORLEANS — Louisiana, scene of one of the biggest environmental reconstruction projects in U.S. history, could become a major player in emerging cap-and-trade markets by selling "carbon credits" tied to the restoration of its Mississippi River delta.

At least that's the hope of Republican Gov. Bobby Jindal.

"We can tap that market to the tune of hundreds of millions of dollars without making any modifications to our projects whatsoever," said Garret Graves, Jindal's top adviser on the coast and levees.

Here's how it could work:

In coming decades, Louisiana and the federal government plan to spend billions of dollars planting cypress trees, piping mud into dying wetlands and diverting rivers to flush out salt water.

Salt water intrusion is a major cause of erosion because it kills marsh grasses and other vegetation that buffer land from the Gulf of Mexico. An area about the size of Delaware has been lost to the Gulf since the 1930s.

Jindal's advisers and scientists say the work should be regarded as construction of a huge "carbon sink" — a manmade wilderness that extracts greenhouse gases like carbon dioxide from the air while producing oxygen.

In turn, Louisiana could sell "carbon credits" to companies that invest in building up this carbon sponge and keep the planet cooler — credits that would make up the emerging cap-and-trade markets.

Carbon trading is huge business in Europe, where emissions are capped, and supporters say the U.S. market would mushroom if caps are instituted here. Companies typically buy credits to offset emissions from their plants.

State officials are uncertain what the value of such credits could be, but estimate they could reach tens of

millions of dollars.

Graves said several companies, including energy and transportation interests, have given him "solid financial commitments" to buy Louisiana's carbon credits.

"We already have corporate money lined up, ready to participate," Graves said.

Scientists working with Louisiana to develop a carbon credit plan say the river delta is a factor in the greenhouse gas equation. They say the 2,000 square miles of Louisiana marshland lost since 1932 is equivalent to the carbon output of 80 million automobiles driving for one year.

"We are a huge carbon sink as a delta," said environmental scientist Sarah Mack, who runs Tierra Resources LLC, an environmental consulting firm based in New Orleans. "We're not being valued for that in Louisiana. It has huge world implications."

There is as yet no federal requirement that companies reduce emissions, but that could change. President Barack Obama and Congress are considering cap-and-trade legislation.

Paul Harrison of the Environmental Defense Fund, which is helping the Jindal administration, said the credit program needs to be backed up by sound management of wetlands projects.

That's because a carbon credit is only as good as the trees or patches of grass it depends on. If the trees fall over in a hurricane or the grass sinks under the Gulf, the credit is worthless.

General Counsel Tom Stoddard of NativeEnergy — a Burlington, Vt.-based company that specializes in carbon markets — said the Louisiana plan faces several potential hurdles, chief among them proving the restoration work would be effective at offsetting carbon emissions.

There are plenty of critics.

Environmentalists say Jindal's interest in carbon credits is hypocritical in light of the governor's silence on the issue of global warming. Also, some environmentalists are critical of market-based environmentalism because they feel that it allows polluters to perpetuate bad habits and avoid costly upgrades that curb their greenhouse gas emissions.

"They want to take advantage of the growing concern over climate change without saying we're concerned about it," said Randy Lanctot, executive director of the Louisiana Wildlife Federation.

And it could upset conservatives, too.

"(Cap-and-trade) is really just another tax. In this case, it's a corporate income tax," said Patrick Michaels, senior fellow in environmental studies at the Cato Institute, a libertarian think tank.

"Doesn't it sound progressive that we'll rip off industry? That will get a lot of Republican voters," Michaels said with irony. "If Louisiana wants to lead the nation in levying an industrial tax that won't do anything about climate, so be it."

But Jindal may be following the example of a handful of other GOP leaders who've bucked the party's line and said global warming is a threat. Those include Sen. John McCain, Florida Gov. Charlie Crist and California Gov. Arnold Schwarzenegger.

Graves said Louisiana would be a trailblazer, and he bet other states would follow suit. "I expect there will likely be some poaching of our program," he said.

Through that looking glass, in the not too distant future, some say carbon credits could go up for sale for replanting Alaskan spruce trees or restoring the Florida Everglades.

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