

RESTORE Act of 2011:

Why Swift Congressional Action is
Essential for Protecting the Gulf of Mexico



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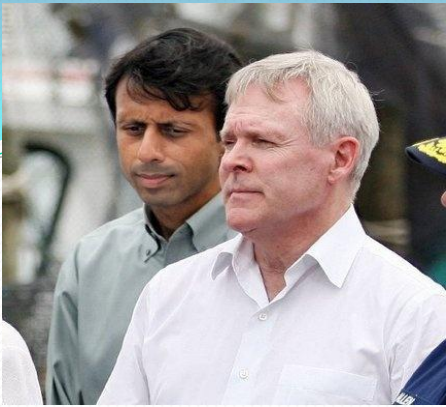
Background

- On April 20, 2010 the BP Deepwater Horizon well exploded
- On July 15, 2010 the well was capped
- In total **4.9 million barrels** of crude oil contaminated the Gulf of Mexico



Sources of Funding

- **Natural Resources Damage Assessment (NRDA)**
 - Provides monetary compensation that brings ecosystem back to the way it was before the oil spill occurred
 - However, the money is not used to implement further restoration activities
- **Clean Water Act Penalties**
 - The federal government may seek damages from responsible parties
 - \$1,100 per barrel of oil spilled, but if a court finds gross negligence on the part of the polluters, then the fine is increased to \$4,300 per barrel spilled.
 - \$1,100 • 4.9 million barrels = \$5.39 billion
 - \$4,300 • 4.9 million barrels = \$21.07 billion
 - These fines will be deposited into the Oil Liability Trust Fund



Federal Reports

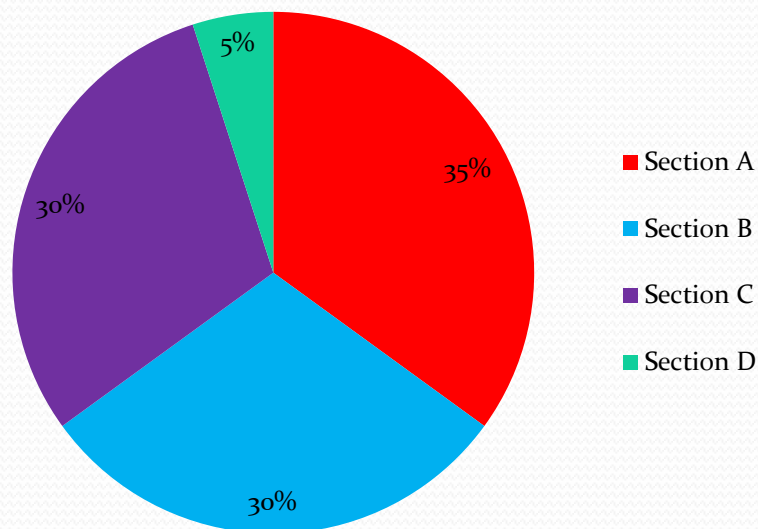
- Ray Mabus, Secretary of the Navy
 - Congress should “dedicate a significant amount of any civil penalties obtained from parties responsible for the oil spill under the Clean Water Act to the recovery of the region that was damaged, and to those impacted by its effects.”
 - Establish “a congressionally mandated governance structure to oversee and implement these and other sources of funding.”
- Oil Spill Commission Report
 - The penalties paid by BP and other parties responsible for the oil spill should be primarily devoted to Gulf restoration. The Gulf will continue to be under stress as energy development continues. Congress should dedicate 80 percent of any Clean Water Act civil and criminal penalties to long-term restoration of the Gulf of Mexico in partnership with the states.

Congressional Action Thus Far

- On July 20, 2011, Senator Mary Landrieu (D-LA) introduced the bipartisan **R**esources and **E**cosystems **S**ustainability, **T**ourist **O**pportunity, and **R**evived **E**conomies of the Gulf States Act of 2011 (the “RESTORE Act”/ S. 1400)
- **RESTORE will invest 80% of the fines paid by BP and the other parties responsible for the Gulf oil spill into the Gulf region.**
- On September 21, 2011, S. 1400 passed out of the Senate Environment and Public Works Committee by voice vote.
- October 05, 2011, Congressman Steve Scalise (R-LA-1) introduced similar bipartisan legislation (H.R. 3096) and has 26 co-sponsors.

Senate RESTORE (S. 1400) Breakdown

Total Funds Directed to the Gulf Coast



Section A: 35% (7% to each state) - Restoration Programs

Section B: 30% - Federal/State Council

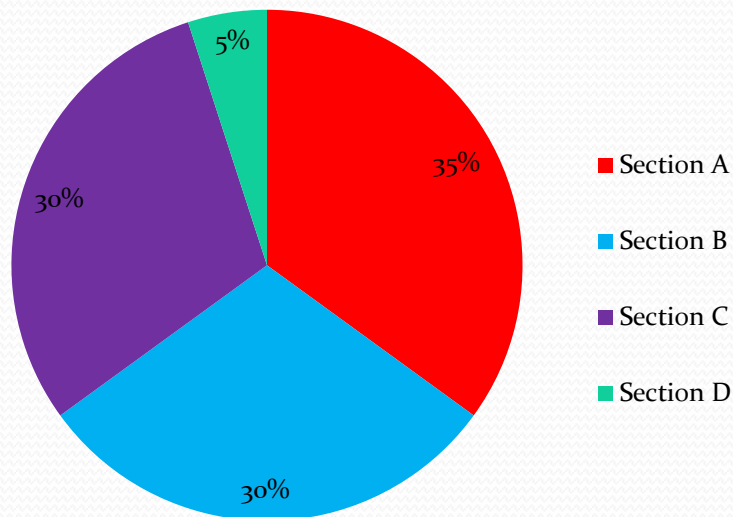
Section C: 30% - State Restoration Plans – impact formula allocation with oversight by the Council

Section D: 5% - Combined science, monitoring and fisheries management endowment

National Endowment of the Oceans (NEO) - an additional provision was added that would funnel interest earned on the CWA fines to the endowment. The amount for NEO is expected to be approximately 0.5 % of total funds and would go towards research endeavors and the restoration of national marine resources.

House RESTORE (H.R. 3096) Breakdown

Total Funds Directed to the Gulf Coast



Section A: 35% (7% to each state) - Restoration Programs

Section B: 30% - Development and implementation of a Comprehensive Restoration Plan

Section C: 30% - State Restoration Plans

Section D: 5% - Long Term Science and Fisheries Endowment and Gulf Coast Centers of Excellence

There is different language in Section C of the House bill that removes the National Endowment for the Oceans, and doesn't permit RTF funds to be used for federal land acquisition

Congressional Budget Office

- **CBO estimates that enacting the legislation would increase direct spending by \$1.2 billion**
- **If the Department Of Justice reaches a settlement before RESTORE is signed into law, *CBO can re-score the bill*, which would greatly increase the offsets.**

Next Steps

- The federal government has ongoing discussions with the responsible parties regarding the oil spill
- ***BUT Without action from Congress, those penalties will go to the Oil Liability Trust Fund***
- BP's fines belong in the Gulf, where the damage was done.
- Pass the Senate RESTORE Act of 2011 as soon as possible!!!