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Contact: Interior_Press@ios.doi.gov

Interior Disburses \$155.7 Million to Louisiana in FY 2019 Energy Revenues

Increase of \$61 million in payments demonstrates energy agenda success; GOMESA funds important for coastal conservation, restoration and hurricane protection projects

WASHINGTON – U.S. Department of the Interior Secretary David Bernhardt announced today that the Department disbursed more than \$155.7 million to Louisiana and its coastal political subdivisions (CPS). This represents an increase of nearly \$61 million over the prior year. The funds will be used to support coastal conservation and restoration projects; hurricane protection programs; and activities to implement marine, coastal or conservation management plans.

“Because of policies put forth by President Trump, increasing energy revenues have generated more money for Gulf states to implement critical conservation, sustainability and infrastructure projects,” **said Secretary Bernhardt.**

Interior disbursed almost \$353 million in FY 2019 energy revenues to the four Gulf oil and gas producing states – Alabama, Louisiana, Mississippi and Texas, and their coastal political subdivisions (CPS) – an increase of 64.2% (\$138 million) over the prior year.

“Hitting the full GOMESA cap is tremendously important to Louisiana, allowing us to build more projects vital to our coastal communities,” **said Louisiana Governor John Bel Edwards.** “The state Coastal Protection and Restoration Authority is applying the additional GOMESA funds to levee improvements, ecosystem restoration projects and

fisheries sustainability efforts, bringing Louisiana's total GOMESA-funded budget to \$143.97 million, advancing 31 projects and programs in our coming fiscal year."

In FY 2019, revenues surpassed \$1 billion from GOMESA leases, which triggered the annual cap. The GOMESA legislation specifies the annual cap to be applied to the amounts disbursed to the Gulf producing states and their CPS each year. ONRR will disburse to the states and their CPS each fiscal year following the year of receipt: up to \$375 million for FY 2017 through FY 2019 receipts; up to \$487.5 million for FY 2020 and FY 2021 receipts; and up to \$375 million for FY 2022 through FY 2055 receipts. The cap is lifted beginning in FY 2056. The cap does not apply to qualified revenues generated in those areas associated with Phase I of the GOMESA program.

"Even as we deal with Covid-19, we must continue to address issues that are important over the long term. This funding will go toward preserving our coastline. In the long term, this is equally important to Louisiana," **said Louisiana Senator Bill Cassidy**. "I will continue to fight for further funding."

"We have an obligation to steward our energy resources, and this year's increase in funds shows that we've been doing just that. But we also have a pressing duty to help the people of Louisiana, whose families depend on revenues from the oil they produce by the sweat of their brow. Conservation efforts across America can thank our state for crucial funding, even as Louisianians are suffering under artificially low barrel prices," **said Louisiana Senator John Kennedy**. "I'm glad to see more funds flow back to Louisiana, where they can help keep people and property safe from natural disasters and restore our coastline. I also hope we can take commonsense steps to ensure that oil producers there see more of the fruits of their labor."

"Revenue sharing under GOMESA allows Louisiana to get much more out of the oil and gas production off our coast," **said Louisiana Congressman Ralph Abraham**. "This money is used to protect our communities from coastal erosion, and helps Louisiana continue to provide energy and other critical resources to the entire country."

"Energy producing states along the Gulf Coast have waited a long time to start seeing these GOMESA Phase II bumps in offshore energy revenues, especially in Louisiana – where the Gulf has eroded over 2,000 square miles of our coast. These reinvestments are critical, and we're going to continue working toward full energy revenue parity for offshore and onshore producing states", **said Louisiana Congressman Garret Graves**. "Every single penny of this funding will be invested in urgent coastal restoration and hurricane protection efforts to protect Louisiana lives, communities, culture and a nationally-important economic engine responsible for 80 to 90 percent of all offshore energy production in federal waters in the United States."

"This is a major investment, which greatly increases support for coastal projects in Louisiana. GOMESA provides critical funding for mitigation and restoration efforts along Louisiana's coast," **said Louisiana Congressman Clay Higgins**. "We support this endeavor and will continue working with President Trump's Administration to expand and preserve these important revenue-sharing provisions."

"This latest round of GOMESA funding will provide a much-needed injection of resources for critical coastal restoration projects in Louisiana. This year's substantial increase in

revenue for the state illustrates the positive impacts of the Trump Administration's pro-energy policies," **said Louisiana Congressman Mike Johnson**. "We will continue to work to support the offshore oil and gas activities that generate these funds and provide long-term stability to our coastline."

"This GOMESA funding is great news for Louisiana's coast, and I applaud the Trump Administration for their ongoing support for offshore energy exploration and production and revenue sharing with the Gulf states. In Louisiana, these funds are dedicated to coastal restoration and hurricane protection, and we know our coastline is the first line of defense from powerful Gulf storms, making today's announcement excellent news for Southeast Louisiana families and communities. While this is welcome news, it's also a reminder that Gulf states still lag behind the interior states who get 50% of revenues from all energy leases, compared to Gulf states who receive 37.5% of only certain leases. I'll continue fighting to increase Gulf states' revenue share to finally provide parity with the interior states," **said Louisiana Congressman Steve Scalise**. "I applaud the Trump Administration for recognizing the urgency and necessary investments needed to protect Louisiana's coastline, and for their continued support of American energy dominance in the Gulf of Mexico, which allows us to restore our coast and protect families and small businesses from future storms, as well as protecting the vital infrastructure important to our entire nation."

Examples of Louisiana projects funded with GOMESA dollars include \$50 million for a permanent gate structure that will prevent flooding to portions of six parishes on Bayou Chene. Once complete, the project will feature a 40-foot barge gate to provide protection against storm surge up to 10 feet, along with a series of floodwalls and levees to support additional protection.

In Ascension Parish, GOMESA will fund \$65 million for a project that includes a pump station to be constructed on the Mississippi River at Donaldsonville with a minimum pumping capacity of 1,000 cubic feet per second alongside the existing 500 cfs station, tripling the capacity for fresh water entering Bayou Lafourche to combat saltwater intrusion and provide fresh drinking water to over 300,000 residents in Assumption, Ascension, Lafourche and Terrebonne parishes.

Today's action represents the third annual disbursement under Phase II of the Gulf of Mexico Energy Security Act of 2006 (GOMESA). Disbursements are subject to sequestration requirements under the Budget Control Act of 2011.

GOMESA funds are derived from qualified oil and gas leasing revenues on the Outer Continental Shelf and disbursed in accordance with the revenue-sharing provisions of the GOMESA legislation.

During FY 2019, Interior's Office of Natural Resources Revenue (ONRR) disbursed approximately \$125 million to the Land and Water Conservation Fund (LWCF) and \$549 million to the U.S. Treasury from bonuses, rentals and royalties paid for GOMESA leases. As required by the legislation, disbursements to the LWCF and Treasury are made in the same year of receipt; disbursements to the states and CPS are made the year following the year of receipt.

The following amounts will be shared with Louisiana and its subdivisions:

State of Louisiana	\$124,574,775.95
Assumption Parish	\$1,034,102.95
Calcasieu Parish	\$1,638,988.85
Cameron Parish	\$2,092,861.04
Iberia Parish	\$1,636,190.83
Jefferson Parish	\$2,583,808.57
Lafourche Parish	\$1,619,484.54
Livingston Parish	\$1,295,216.14
Orleans Parish	\$2,141,904.60
Plaquemines Parish	\$3,049,636.97
St. Bernard Parish	\$1,468,661.50
St. Charles Parish	\$1,105,909.81
St. James Parish	\$964,994.69
St. John the Baptist Parish	\$1,042,877.63
St. Martin Parish	\$1,160,080.96
St. Mary Parish	\$1,364,113.38
St. Tammany Parish	\$1,702,328.50
Tangipahoa Parish	\$1,246,809.43
Terrebonne Parish	\$2,377,136.75
Vermilion Parish	\$1,618,586.88
TOTAL	\$155,718,469.97

Interior's Office of Natural Resources Revenue manages and ensures full payment of revenues owed for the development of the nation's energy and natural resources on the Outer Continental Shelf and onshore Federal and Indian lands. In performing this important fiduciary role, ONRR collects an average of over \$10 billion dollars in annual revenue, one of the Federal government's largest sources of non-tax revenue.

Revenue-sharing allocations and disbursement details for the FY 2019 receipts are available on the Department's website at: <https://revenue.data.doi.gov/how-it-works/gomesa>.