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Commentary

The Public Affairs Research Council of Louisiana

Earth Day is a time to renew Louisiana's commitment to coastal restoration and wise stewardship of resources



Photo by Eric Liffmann

April 2020 marks the 10-year anniversary of the Deepwater Horizon Oil Spill and is the month for Earth Day, April 22. The explosion resulted in death and injury to crew members, millions of gallons of oil released in the Gulf of Mexico, and economic and environmental damage to communities all along the coast. Litigation and legislation followed. Governments, businesses and individuals all sought economic damage claims to mitigate their losses.

Additionally, dollars from civil lawsuits and criminal penalties were applied to coastal restoration and protection efforts. These funds provided a much-needed financial shot in the arm to Louisiana coastal preservation and restoration efforts. The continuing challenge is to make sure we don't squander these dollars. The funds are limited. To ensure we deploy them effectively, citizens should understand the programs that distribute the funds and resist any efforts to divert them to other areas.

Most of the money from the Deepwater Horizon Oil Spill that is directed toward Louisiana's coast is administered in one of three ways. The National Fish and Wildlife Foundation (NFWF) oversees some of the funds. The Natural Resource Damage Assessment program (NRDA) oversees others, and the Resources and Ecosystems Sustainability, Tourist Opportunities and Revived Economies Act (RESTORE) divides funds among several agencies. All three programs have a finite amount of funding that, while significant, is temporary. NRDA and RESTORE will end in April 2031 while NFWF will end when the allocation is spent. Each pool of money targets different aspects of coastal protection.

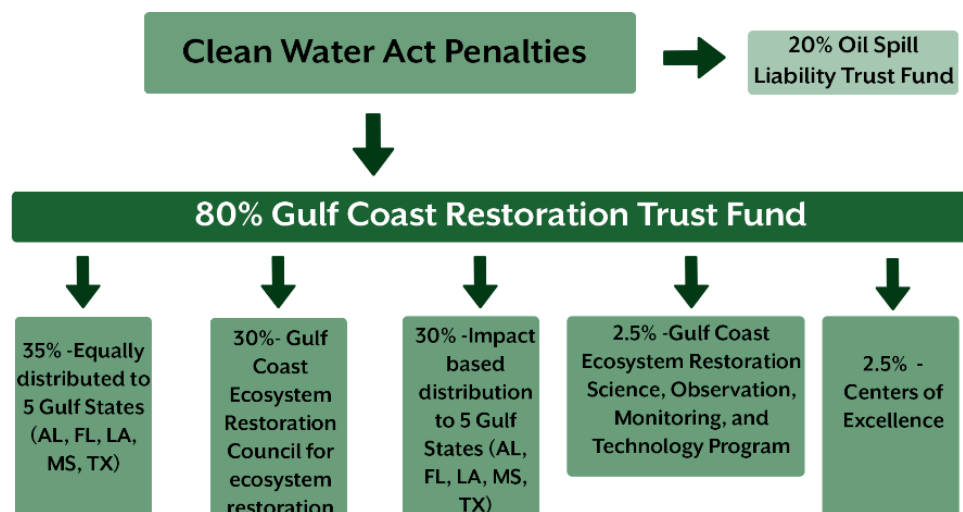
The National Fish and Wildlife Foundation is overseeing almost \$1.3 billion directed to Louisiana as proceeds from the criminal plea agreements stemming from the Deepwater Horizon spill. This money may be used only to fund barrier island or sediment diversion projects, such as the \$168 million Terrebonne Basin Barrier Island project that started construction last year.

The Natural Resource Damage Assessment program is used by the federal government to determine and repair damage to natural resources. Louisiana will receive a total of \$5 billion through NRDA over a 15-year period ending in 2031. These funds can be used to conserve and restore habitats and ecosystems. Projects are overseen and approved by the Louisiana Trustee Implementation Group. Two of the more significant projects currently underway are the marsh creation projects in the Barataria Bay and Lake Borgne areas.

The RESTORE act dedicated 80% of the Clean Water Act penalties to restoring the Gulf Coast environment. The funds, which also end in April 2031, are then divided into five different components often called “buckets” or “pots”:

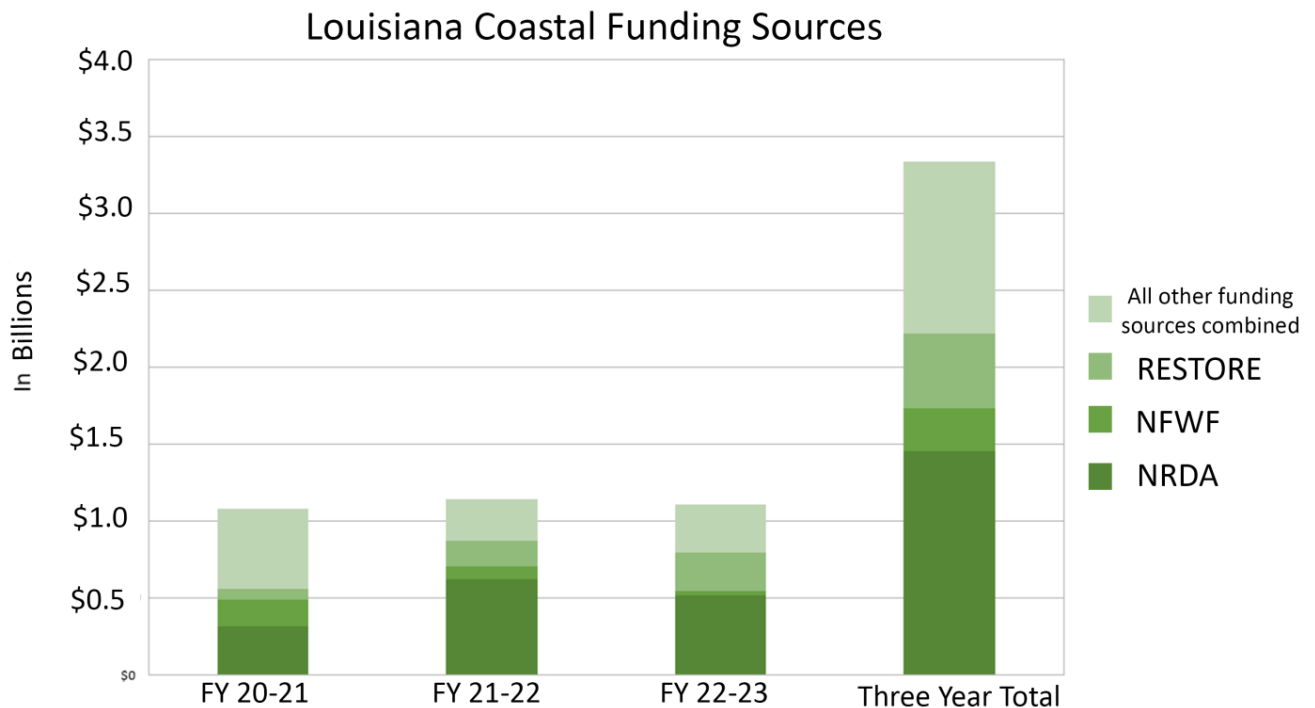
- Direct - Each of five Gulf states received an equal \$260 million in direct funds.
- Spill Impact - Divided among Gulf states according to a formula that estimates the proportional damage suffered from the oil spill. Louisiana will receive a total of \$550 million in spill impact funds.
- Council Selected - The federal RESTORE Council selects large scale projects that will have the greatest impact on promoting the long-term resiliency of the coast. So far Louisiana has been awarded \$168 million in Council-selected funds.
- Centers of Excellence - Money distributed to support research centers in each of the states. The Water Institute of the Gulf is Louisiana’s Center of Excellence and has received \$27 million.
- National Oceanic and Atmospheric Administration (NOAA) - NOAA receives oil spill funding for continued Gulf monitoring.

RESTORE Funding Components



Source: Gulf Coast Ecosystem Restoration Council

These programs are critical to the success of Louisiana’s coastal preservation and restoration efforts. Indeed, these three programs comprise over 50% of Louisiana’s Coastal Protection and Restoration Authority budget.



Source: CPRA Fiscal Year 2021 Annual Plan

It is wholly appropriate that such large sums of money from the Gulf’s worst environmental disaster be directed to restoring the coast. It is, however, worrying that such a large proportion of coastal restoration support is dependent on funding that runs out in just over 10 years. Louisiana must seek to broaden the base of funding if long-term coastal restoration and protection efforts are to be sustained. Louisiana typically adds in \$50 to \$60 million per year of its own money plus occasional surplus dollars. Given the impact of the COVID-19 outbreak, state funding will be harder to come by. We look forward to the day when the virus has receded and the state has recovered.

One of the best potential avenues of additional funding comes from greater offshore revenue sharing. Louisiana’s congressional delegation, working in concert with other state leaders, has sought to increase the money Louisiana receives through our current revenue sharing program established by the Gulf of Mexico Energy Security Act (GOMESA), which became law in 2006. Doing this is no easy feat as competition for funding in the U.S. Congress is fierce. Expanding GOMESA moves from difficult to impossible if Louisiana squanders, wastes or misdirects the resources to projects unrelated to our coastal mission. Congressional representatives from other states are more than ready to ask, "Why should we give them additional dollars, when they don’t even spend the money wisely that they have now?" It is imperative we use our current coastal funding wisely if we ever hope to get additional revenue.

The additional funding has given the state's coastal plan a well needed boost. According to the CPRA, oil spill funding is responsible for nine completed projects costing \$555 million, 12 projects in or near construction for \$320 million, and 26 projects undergoing engineering and design that eventually will cost \$4.21 billion. While it is too soon to judge the long-term impact of these projects, they are part of CPRA's overall work that has slowed coastal land loss and rebuilt over 47 thousand acres of coastal habitat.

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