

**Resolution of the Board of Directors in Support of the  
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived  
Economies of the Gulf Coast States Act of 2011**

---

The Greater Houston Partnership supports S. 1400, the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2011 (RESTORE the Gulf Coast Act) introduced July 21, 2011 by Senator Mary Landrieu of Louisiana.

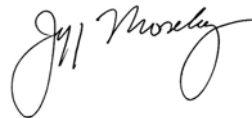
The RESTORE the Gulf Coast Act directs 80 percent of administrative, civil or criminal penalties in connection with the Deepwater Horizon oil spill to be placed into the Gulf Coast Restoration Trust Fund in order to restore coastal ecosystems and economies along the Gulf Coast.

In addition to directing the reallocation of penalty monies, the RESTORE the Gulf Coast Act also provides needed resources to Gulf Coast states to start recovery immediately, establishes a Gulf Coast Ecosystem Restoration Council and a Comprehensive Plan for the Gulf Coast, and establishes a Long Term Science and Fisheries Endowment and Gulf Coast Centers of Excellence.



---

Larry Kellner, Chairman



---

Jeff Moseley, President and CEO



---

Tony Chase, Secretary

## **BACKGROUND MEMORANDUM**

**DATE:** August 31, 2011

**TO:** Greater Houston Partnership Board of Directors

**FROM:** David Dickson, Chairman, Energy and Environment Advisory Committee

**SUBJECT:** Resolution of the Board of Directors in Support of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2011

---

## **RECOMMENDATION**

The Greater Houston Partnership supports S. 1400, the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2011 (RESTORE Act) introduced July 21, 2011 by Senator Mary Landrieu of Louisiana.

The RESTORE Act directs 80 percent of administrative, civil or criminal penalties in connection with the Deepwater Horizon oil spill to be placed into the Gulf Coast Restoration Trust Fund in order to restore coastal ecosystems and economies along the Gulf Coast.

In addition to directing the reallocation of penalty monies, the RESTORE the Gulf Coast Act also provides needed resources to Gulf Coast states to start recovery immediately, establishes a Gulf Coast Ecosystem Restoration Council and a Comprehensive Plan for the Gulf Coast, and establishes a Long Term Science and Fisheries Endowment and Gulf Coast Centers of Excellence.

## **BACKGROUND**

Following the 2010 explosion aboard the Deepwater Horizon, nearly five million barrels of oil spilled into the Gulf of Mexico over a three-month period. According to Senator Landrieu's office, as a result of the spill, 600 miles of Gulf coastline were oiled; nearly 87,000 square miles of waters were closed to fishing; and \$23 billion was lost to tourism across the Gulf Coast region. The National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling estimates that full restoration of the Gulf will cost between \$15 and \$20 billion.

Under current law, fines paid as a result of the 2010 Deepwater Horizon oil spill will be automatically deposited into the Federal Treasury.

The RESTORE the Gulf Coast Act (S. 1400), introduced by Senator Landrieu calls for dedicating at least 80 percent of penalties paid as a result of the Deepwater Horizon oil spill to the five Gulf states in order to restore coastal ecosystems and economies.

S. 1400 co-sponsors include Senator Cochran (MS), Senator Hutchison (TX), Senator Nelson (FL), Senator Rubio (FL), Senator Sessions (AL), Senator Shelby (AL), Senator Vitter (LA) and Senator Wicker (MS).

Under the RESTORE the Gulf Coast Act, up to 80 percent of all administrative, civil and criminal penalties paid by parties in connection with the Deepwater Horizon oil spill be placed in the Gulf Coast Restoration Trust Fund, established by the bill.

The Act divides amounts in the Gulf Coast Restoration Trust Fund in the following manner:

- 35 percent to be divided in equal shares to the Gulf Coast States (Alabama, Florida, Louisiana, Mississippi and Texas) for ecological and economic restoration of the Gulf Coast ecosystem;
- 60 percent to be allocated to the Gulf Coast Ecosystem Restoration Council to implement the Comprehensive Plan to restore and protect the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches and coastal wetlands of the Gulf Coast ecosystem; and,
- 5 percent to be allocated in equal parts to the Gulf Coast Ecosystem Restoration Science, Monitoring and Technology Program and the Fisheries and Ecosystem Endowment, both established in the bill.

The Clean Water Act allows the Environmental Protection Agency to collect \$1,100 per barrel of oil spilled, or \$4,300 per barrel if there is a finding of gross negligence, from any party found responsible for an oil spill in federal waters. Based on the estimated 4.9 million barrels of oil spilled into the Gulf of Mexico, between \$5.4 and \$21.1 billion could be generated in penalties as a result of the Deepwater Horizon oil spill.

## **ACTION NEEDED**

GHP calls for support and passage of S. 1400, the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2011. GHP further requests that this legislation not be funded by increased energy taxes.

## **IMPLEMENTATION**

To implement this recommendation, GHP would communicate its support of this resolution to Members of Congress.

## **FISCAL IMPACT**

Currently, fines paid as a result of the 2010 Deepwater Horizon oil spill will be automatically deposited into the Federal Treasury. This legislation redirects penalty funds received from the Deepwater Horizon oil spill.

Federal Treasury offsets will need to be identified. The estimated offset amount is \$1.7 billion for the next 10 years. The Congressional Budget Office budget planning horizon is currently 10 years. The amount of offsets to be required beyond the 10 year planning horizon is not known at this time.

## **RESOURCES REQUIRED**

This recommendation can be implemented with available GHP staff within current operating budget resources.