

Overview of Gulf of Mexico Environmental and Economic Funding resulting from the Deepwater Horizon Disaster with an emphasis on Florida

Jim Muller

RESTORE Act Coordinator

Bay County, FL

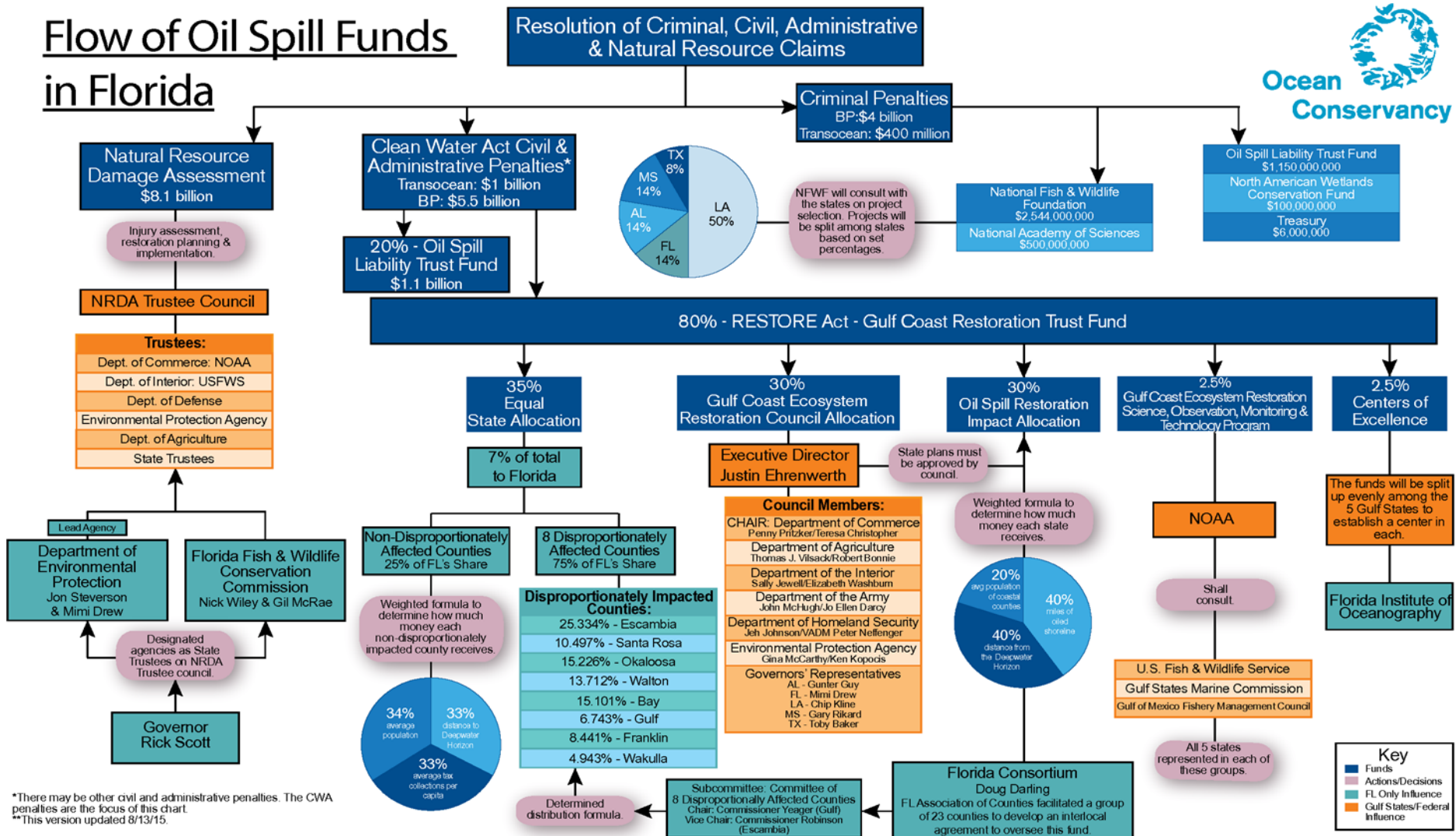
October 23, 2015



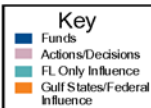
It's Complicated

Overview of some Gulf restoration funds and processes

Flow of Oil Spill Funds in Florida



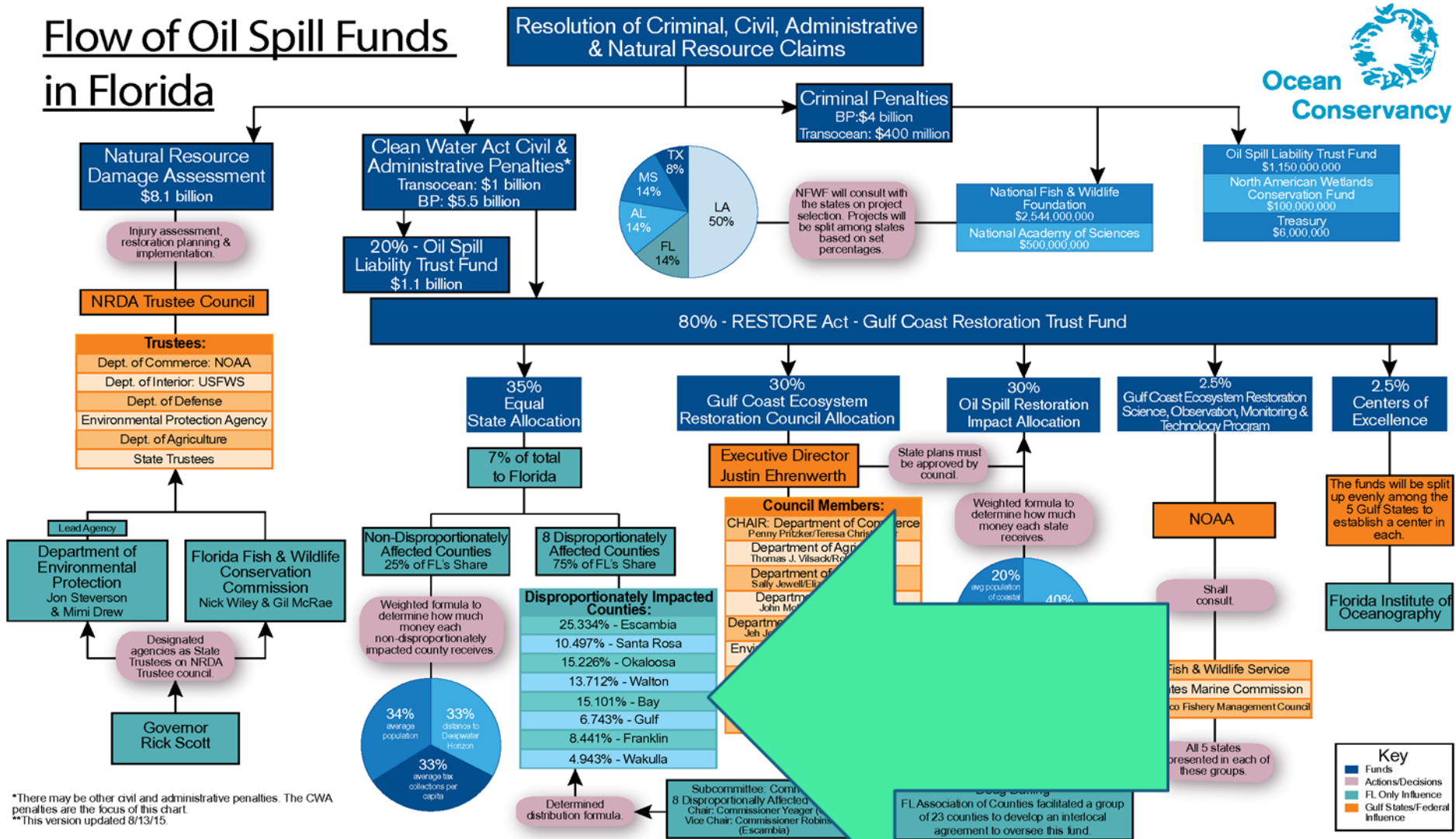
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 ** This version updated 8/13/15.



It's Complicated

Overview of some Gulf restoration funds and processes

Flow of Oil Spill Funds in Florida



Deepwater Horizon Disaster Proposed BP Settlement Overview

- * \$5.5 billion in Clean Water Act fines, \$4.4 billion to RESTORE Act
- * \$8.1 billion natural resource damages (includes \$1 billion Early Restoration commitment)
- * Up to \$700 million for unknown natural resource damages

Deepwater Horizon Disaster Proposed BP Settlement Overview

- * \$4.9 billion economic damages to the 5 Gulf states
- * Up to \$1 billion economic damages to local governments
- * Additional reimbursements

Funded activities/institutions

- * RESTORE Act – five sources
- * Natural Resource Damage Assessment & Restoration
- * NFWF Gulf Environmental Benefit Fund
- * NAS Gulf Research Program
- * North American Wetlands Conservation
- * Gulf of Mexico Research Initiative
- * Economic Damages - Triumph Gulf Coast

Deepwater Horizon Disaster Proposed BP Settlement Overview

Overall

Florida's share – at least \$3.252 billion

- * At least \$572 million from the RESTORE Act
- * At least \$680 million for natural resource damages
- * \$2 billion for economic damages

Deepwater Horizon Disaster Settlements

Previous funds/settlements included:

- * \$800 million to RESTORE Act
- * Gulf of Mexico Research Initiative (GoMRI)
- * National Academy of Sciences Gulf Research Program
- * National Fish and Wildlife Foundation - Gulf Environmental Benefit Fund
- * North American Wetlands Conservation Fund - Gulf of Mexico

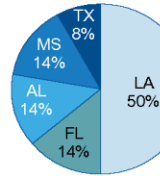
Selected Deepwater Horizon-related funds

Flow of Oil Spill Funds in Florida



Resolution of Criminal, Civil, Administrative & Natural Resource Claims

Criminal Penalties
BP: \$4 billion
Transocean: \$400 million



NFWF will consult with the states on project selection. Projects will be split among states based on set percentages.

National Fish & Wildlife Foundation
\$2,544,000,000
National Academy of Sciences
\$500,000,000

Oil Spill Liability Trust Fund
\$1,150,000,000
North American Wetlands Conservation Fund
\$100,000,000
Treasury
\$6,000,000

Clean Water Act Civil & Administrative Penalties*
Transocean: \$1 billion
BP: \$5.5 billion

20% - Oil Spill Liability Trust Fund
\$1.1 billion

Natural Resource Damage Assessment
\$8.1 billion

Injury assessment
restoration planning

80% - RESTORE Act - Gulf Coast Restoration Trust Fund

35% Equal State Allocation

7% of total to Florida

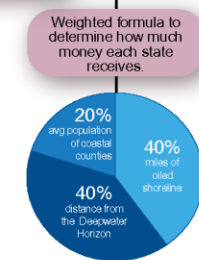
30% Gulf Coast Ecosystem Restoration Council Allocation

Executive Director
Justin Ehrenwerth

Council Members:
CHAIR: Department of Commerce
Penny Pritzker/Teresa Christopher
Department of Agriculture
Thomas J. Vilsack/Robert Bonnie
Department of the Interior
Sally Jewell/Elizabeth Washburn
Department of the Army
John McHugh/Jo Ellen Darcy
Department of Homeland Security
Jeh Johnson/VADM Peter Neffenger
Environmental Protection Agency
Gina McCarthy/Ken Koppols
Governors' Representatives
AL - Gunter Guy
FL - Mimi Drew
LA - Chip Kline
MS - Gary Rikard
TX - Toby Baker

30% Oil Spill Restoration Impact Allocation

State plans must be approved by council.



2.5% Gulf Coast Ecosystem Restoration Science, Observation, Monitoring & Technology Program

NOAA

Shall consult

U.S. Fish & Wildlife Service
Gulf States Marine Commission
Gulf of Mexico Fishery Management Council

All 5 states represented in each of these groups.

2.5% Centers of Excellence

The funds will be split up evenly among the 5 Gulf States to establish a center in each.

Florida Institute of Oceanography

Environmental Protection
Dept. of Agriculture
State Trustees

Lead Agency

Department of Environmental Protection
Jon Stevenson & Mimi Drew

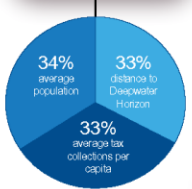
Florida Fish & Wildlife Conservation Commission
Nick Wiley & Gil McRae

Designated agencies as State Trustees on NRDA Trustee council.

Governor Rick Scott

Non-Disproportionately Affected Counties
25% of FL's Share

Weighted formula to determine how much money each non-disproportionately impacted county receives.



8 Disproportionately Affected Counties
75% of FL's Share

Disproportionately Impacted Counties:
25.334% - Escambia
10.497% - Santa Rosa
15.226% - Okaloosa
13.712% - Walton
15.101% - Bay
6.743% - Gulf
8.441% - Franklin
4.943% - Wakulla

Determined distribution formula.

Subcommittee: Committee of 8 Disproportionately Affected Counties
Chair: Commissioner Yeager (Gulf)
Vice Chair: Commissioner Robinson (Escambia)

Florida Consortium
Doug Darling
FL Association of Counties facilitated a group of 23 counties to develop an interlocal agreement to oversee this fund.

Key
Funds
Actions/Decisions
FL Only Influence
Gulf States/Federal Influence

*There may be other civil and administrative penalties. The CWA penalties are the focus of this chart.
**This version updated 8/13/15.

RESTORE Act

Resources and Ecosystem Sustainability,
Tourist Opportunities, and
Revived Economies
of the Gulf Coast States Act of 2012

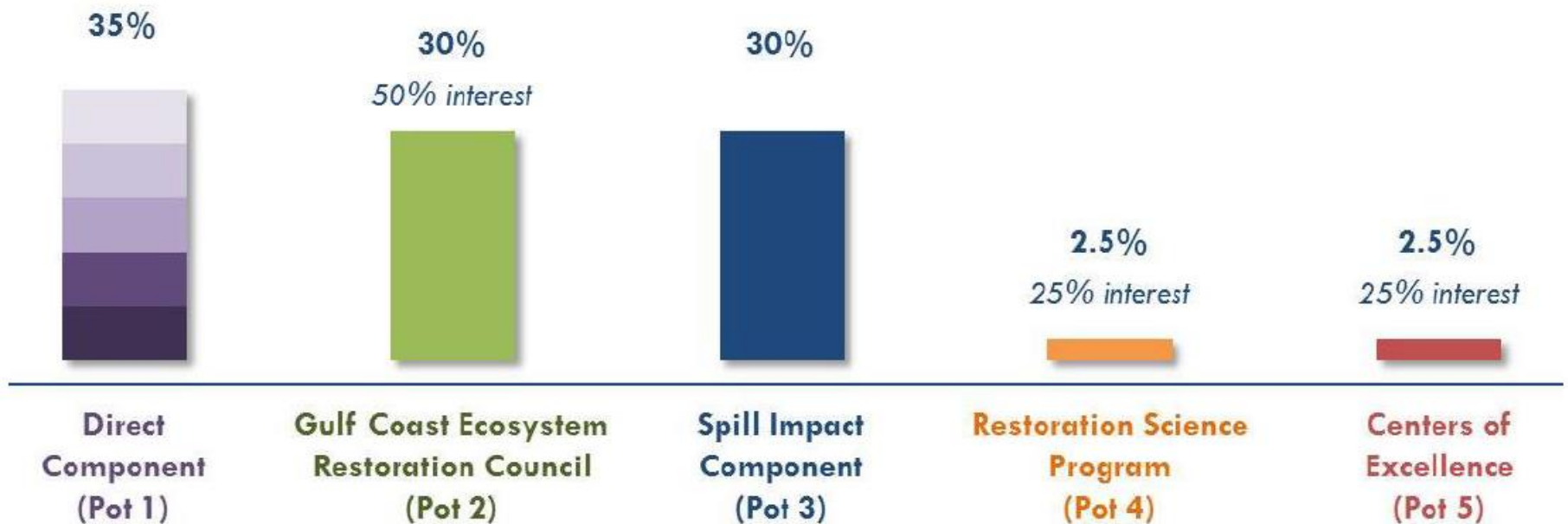
RESTORE Act

- * Funds come from civil and administrative penalties for the Clean Water Act (CWA) – 20% to Oil Spill Liability Trust Fund, 80% to RESTORE Trust Fund

RESTORE Act

- * RESTORE receives:
 - * \$800 million from Transocean settlement, available now
 - * \$4.4 billion from proposed BP settlement over 15 years

Distribution of RESTORE funds



Graphic courtesy of the Environmental Law Institute

RESTORE Act

Generally what funds can be spent on:

Pot 1, 3 – environment and economy

Pot 2 – environment

Pots 4, 5 – research and monitoring

RESTORE Act

- * **Direct Component/Equal Share Allocation/Pot 1** – 35% of all RESTORE funds, split equally between states. FL funds go to FL Gulf coastal counties.
- * Approx \$1.82 billion Gulf-wide, \$364 million divided unequally among Florida's 23 Gulf coastal counties – BP portion over 15 years

Direct Component/Pot 1

Eligible Activities

Funds must be used to achieve ecological and/or economic restoration of the Gulf Coast.

Activities must target at least one of the following:

- * Restoration and protection of natural resources;
- * Mitigation of damage to natural resources;

Direct Component/Pot 1

Eligible Activities (cont'd)

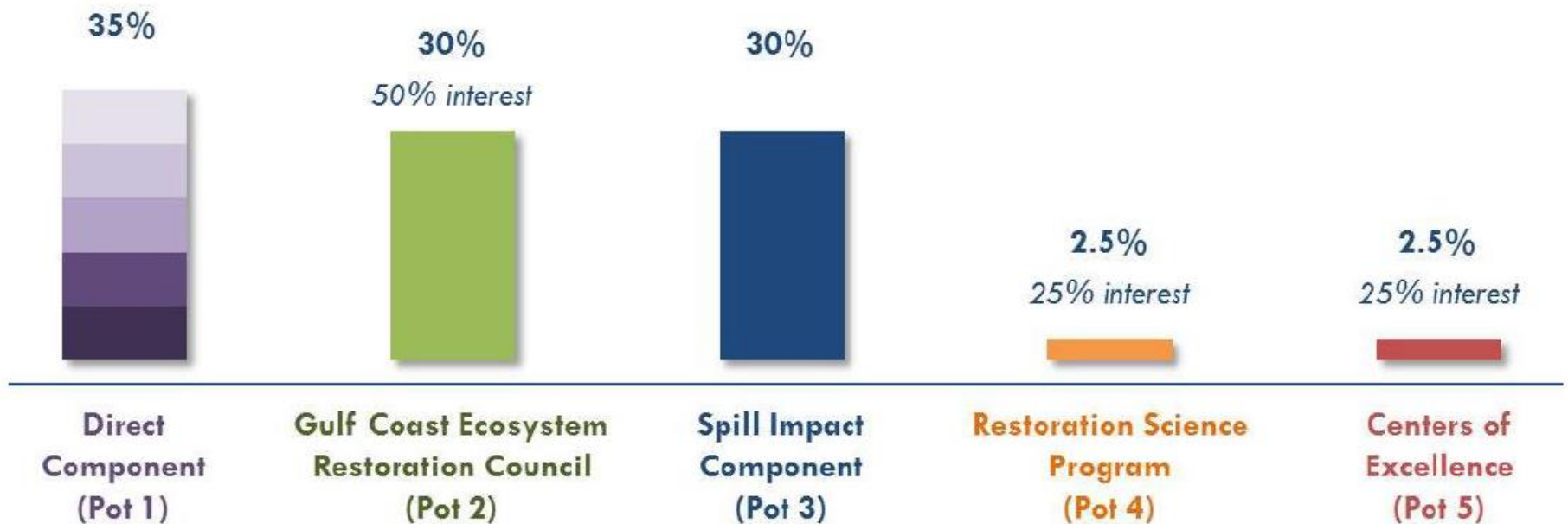
- * Implementation of a federally approved marine or coastal management plan;
- * Workforce development and job creation;
- * Improving state parks affected by the spill;
- * Infrastructure projects benefitting the economy or ecological resources;
- * Flood protection and infrastructure;

Direct Component/Pot 1

Eligible Activities (cont'd)

- * Planning assistance;
- * Promotion of tourism;
- * Promotion of Gulf seafood consumption; and
- * Administrative costs (not more than 3%)

Distribution of RESTORE funds



Graphic courtesy of the Environmental Law Institute

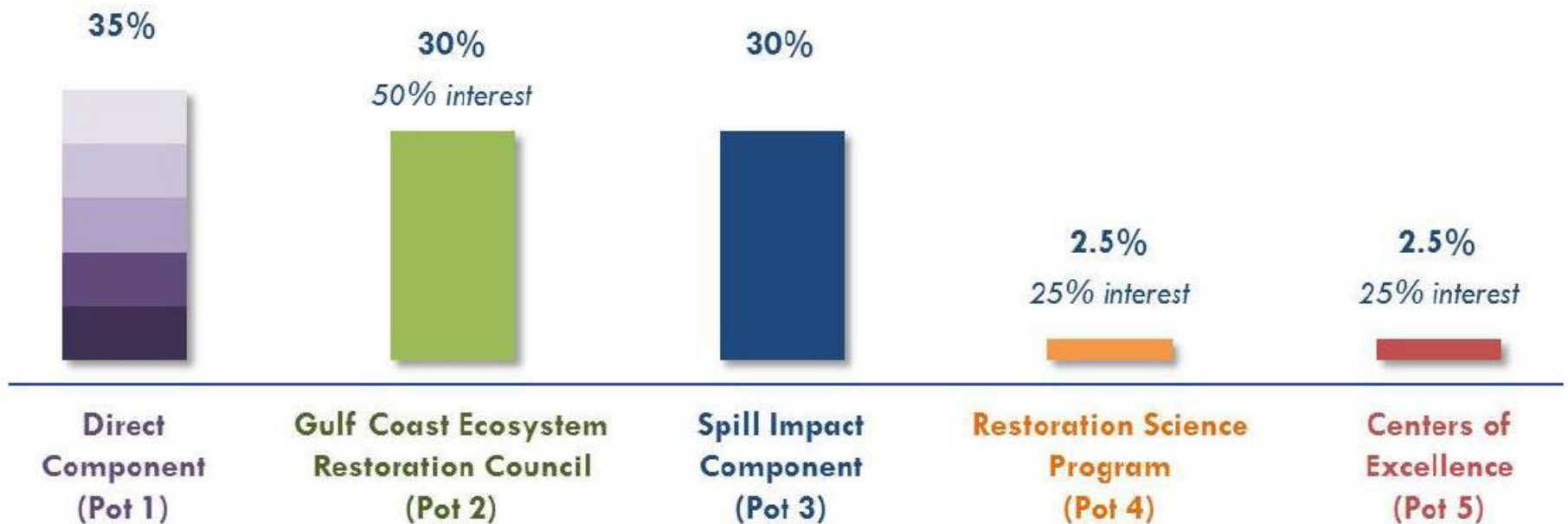
RESTORE Act

- * Gulf Coast Ecosystem Restoration Council/**Pot 2** – 30% of all RESTORE funds, competitive awards across entire Gulf
- * Approximately \$1.56 billion Gulf-wide, most over 15 years

Gulf Coast Ecosystem Restoration Council Goals

- * Restore and Conserve Habitat
- * Restore Water Quality
- * Replenish and Protect Living Coastal and marine Resources
- * Enhance Community Resilience
- * Restore and Revitalize the Gulf Economy

Distribution of RESTORE funds



Graphic courtesy of the Environmental Law Institute

RESTORE Act

Oil Spill Impact Component/Pot 3 – 30% of
all RESTORE funds - \$1.56 billion, most over 15 yrs

- * Alabama—20.40%
- * Florida—18.36%
- * Louisiana—34.59%
- * Mississippi—19.07%
- * Texas—7.58%

Oil Spill Impact Allocation/Pot 3 Eligible Activities

- * Same as for Pot 1 – environmental and economic - with a limit on infrastructure spending

Spill Impact Component/Pot 3 State Expenditure Plan

- * Each state must prepare a plan for expenditure of Pot 3 funds, i.e. the **State Expenditure Plan**
- * In Florida, the plan is being prepared by the Gulf Consortium – Florida Gulf Coastal Counties and 6 Governor appointees

Spill Impact Component/Pot 3 State Expenditure Plan

- * A Technical Advisory Committee and Economic Advisory Committee will be established to provide input for the State Expenditure Plan

Best Available Science

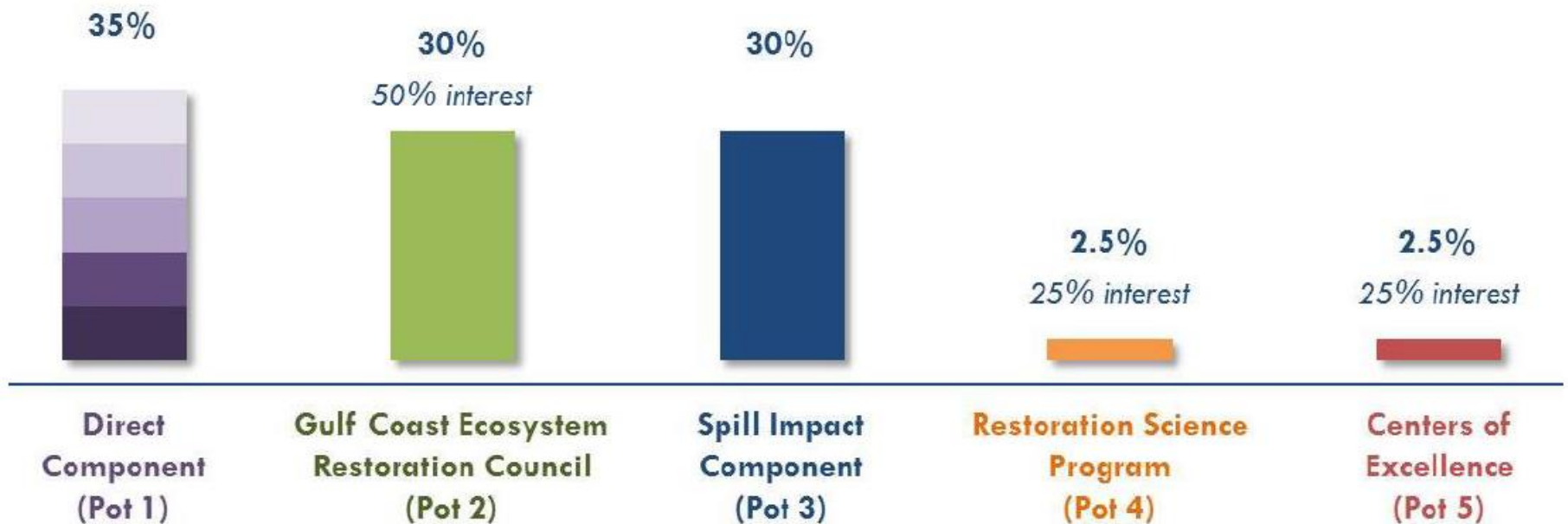
Each RESTORE Act-funded natural resource protection or restoration project must be based on the “best available science”.

Best Available Science

The term “best available science”
means science that—

- * maximizes the quality, objectivity, and integrity of information, including statistical information;
- * uses peer-reviewed and publicly available data; and
- * clearly documents and communicates risks and uncertainties in the scientific basis for such projects

Distribution of RESTORE funds



Graphic courtesy of the Environmental Law Institute

NOAA RESTORE Act Science Program

Pot 4

- * (formal name Gulf Coast Ecosystem Restoration Science, Observation, Monitoring & Technology Program)
- * to carry out research, observation, and monitoring to support, to the maximum extent practicable, the long-term sustainability of the ecosystem, fish stocks, fish habitat, and the recreational, commercial, and charter fishing industry in the Gulf of Mexico
- * approximately \$130 million Gulf-wide, most over 15 yrs

NOAA RESTORE Act Science Program

Pot 4

Amounts may be expended for:

- * marine and estuarine research;
- * marine and estuarine ecosystem monitoring and ocean observation;
- * data collection and stock assessments;
- * pilot programs for—
 - * fishery independent data; and
 - * reduction of exploitation of spawning aggregations; and
- * cooperative research.

NOAA RESTORE Act Science Program

Pot 4

Research priorities — priority shall be given to integrated, long-term projects that

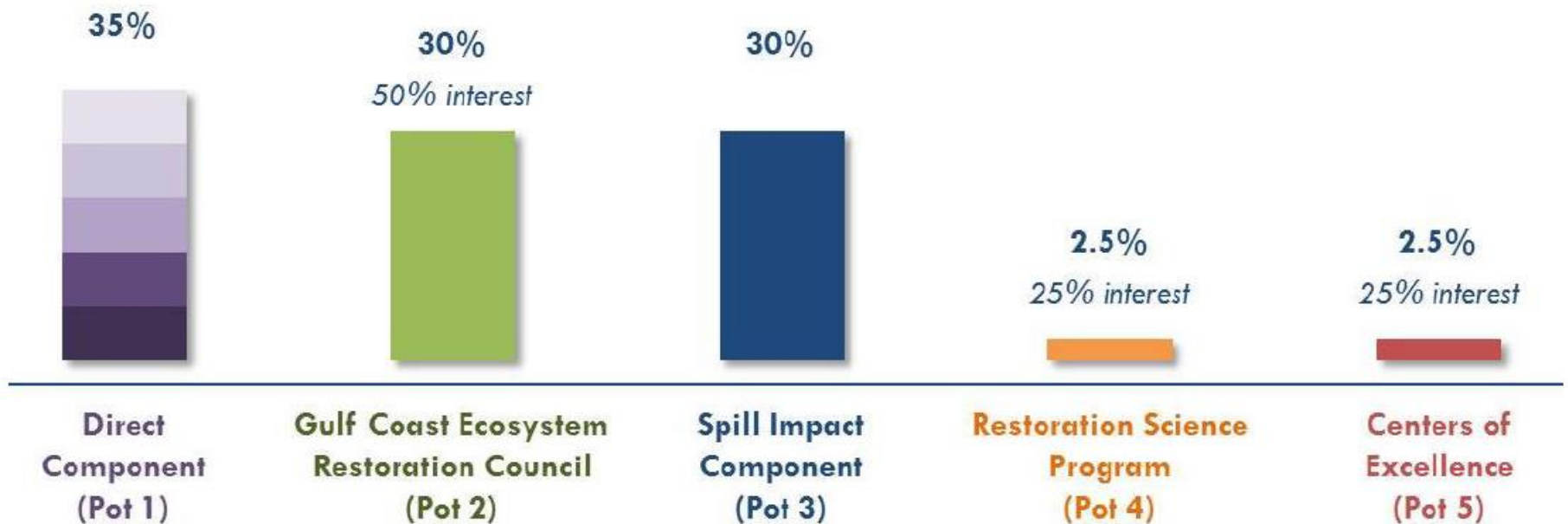
- * build on, or are coordinated with, related research activities; and
- * address current or anticipated marine ecosystem, fishery, or wildlife management information needs.

NOAA RESTORE Act Science Program

Pot 4

NOAA and USFWS shall develop a **plan for the coordination of projects and activities** between the program and other existing Federal and State science and technology programs in the States of Alabama, Florida, Louisiana, Mississippi, and Texas, as well as between the **centers of excellence**.

Distribution of RESTORE funds



Graphic courtesy of the Environmental Law Institute

Gulf Coastal States Centers of Excellence/Pot 5

Focus on science, technology, and monitoring in at least 1 of the following disciplines:

- * Coastal and deltaic sustainability, restoration and protection, including solutions and technology that allow citizens to live in a safe and sustainable manner in a coastal delta in the Gulf Coast Region.
- * Coastal fisheries and wildlife ecosystem research and monitoring in the Gulf Coast Region.

Gulf Coastal States Centers of Excellence/Pot 5

- * Offshore energy development, including research and technology to improve the sustainable and safe development of energy resources in the Gulf of Mexico.
- * Sustainable and resilient growth, economic and commercial development in the Gulf Coast Region.
- * Comprehensive observation, monitoring, and mapping of the Gulf of Mexico.

Gulf Coastal States Centers of Excellence/Pot 5

- * in FL, FL Institute of Oceanography coordinates the funding effort - Florida RESTORE Act Centers of Excellence Program (FLRACEP).
- * An ad hoc team of science and technology experts not involved in any FLRACEP proposals, from in and outside Florida, is responsible for technical review of CE grant proposals.
- * Next RFP cycle expected in 2016.

Gulf Coastal States Centers of Excellence/Pot 5

- * approximately \$130 million for all five Gulf States Centers of Excellence
- * approximately \$26 million for FL – most over 15 years

Selected Deepwater Horizon-related funds

Flow of Oil Spill Funds in Florida



Resolution of Criminal, Civil, Administrative & Natural Resource Claims

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Natural Resource Damage Assessment
\$8.1 billion

Injury assessment, restoration planning & implementation.

NRDA Trustee Council

Trustees:

Dept. of Commerce: NOAA
Dept. of Interior: USFWS
Dept. of Defense
Environmental Protection Agency
Dept. of Agriculture
State Trustees

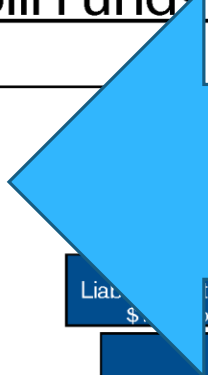
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Governor Rick Scott



Liability Fund

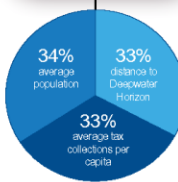
80% - RESTORE Act - Gulf Coast Restoration Trust Fund

35% Equal State Allocation

7% of total to Florida

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Weighted formula to determine how much money each non-disproportionately impacted county receives.



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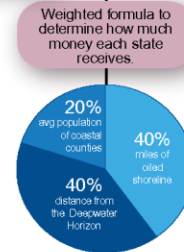
30% Gulf Coast Ecosystem Restoration Council Allocation

Executive Director Justin Ehrenwerth

Council Members:

CHAIR: Department of Commerce
Penny Pritzker/Teresa Christopher
Department of Agriculture
Thomas J. Vilsack/Robert Bonnie
Department of the Interior
Sally Jewell/Elizabeth Washburn
Department of the Army
John McHugh/Jo Ellen Darcy
Department of Homeland Security
Jeh Johnson/VADM Peter Neffenger
Environmental Protection Agency
Gina McCarthy/Ken Koppas
Governors' Representatives
AL - Gunter Guy
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2.5% Gulf Coast Ecosystem Restoration Science, Observation, Monitoring & Technology Program

NOAA

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Gulf States Marine Commission
Gulf of Mexico Fishery Management Council

All 5 states represented in each of these groups.

2.5% Centers of Excellence

The funds will be split up evenly among the 5 Gulf States to establish a center in each.

Florida Institute of Oceanography



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**This version updated 8/13/15.

Natural Resource Damage Assessment (NRDA)

- * To recover the natural resources damaged by the spill (including loss of use), and to reimburse the costs of conducting the assessment
- * Trustees have proposed a comprehensive, integrated, ecosystem restoration plan for the Gulf of Mexico

Natural Resource Damage Assessment (NRDA)

The five goals of the draft plan are to:

- * 1) restore and conserve habitat;
- * 2) restore water quality;
- * 3) replenish and protect living coastal and marine resources;
- * 4) provide and enhance recreational opportunities;
- * 5) provide for monitoring, adaptive management, and administrative oversight to support restoration implementation.

Natural Resource Damage Assessment (NRDA)

The 13 proposed restoration types are:

1. Wetlands, coastal, and nearshore habitats
2. Habitat projects on federally managed lands
3. Nutrient reduction
4. Water quality
5. Fish and water column invertebrates
6. Sturgeon

Natural Resource Damage Assessment (NRDA)

The 13 proposed restoration types (cont'd)

7. Submerged aquatic vegetation

8. Oysters

9. Sea turtles

10. Marine mammals

11. Birds

12. Mesophotic and deep benthic (lowlight and ocean floor) communities

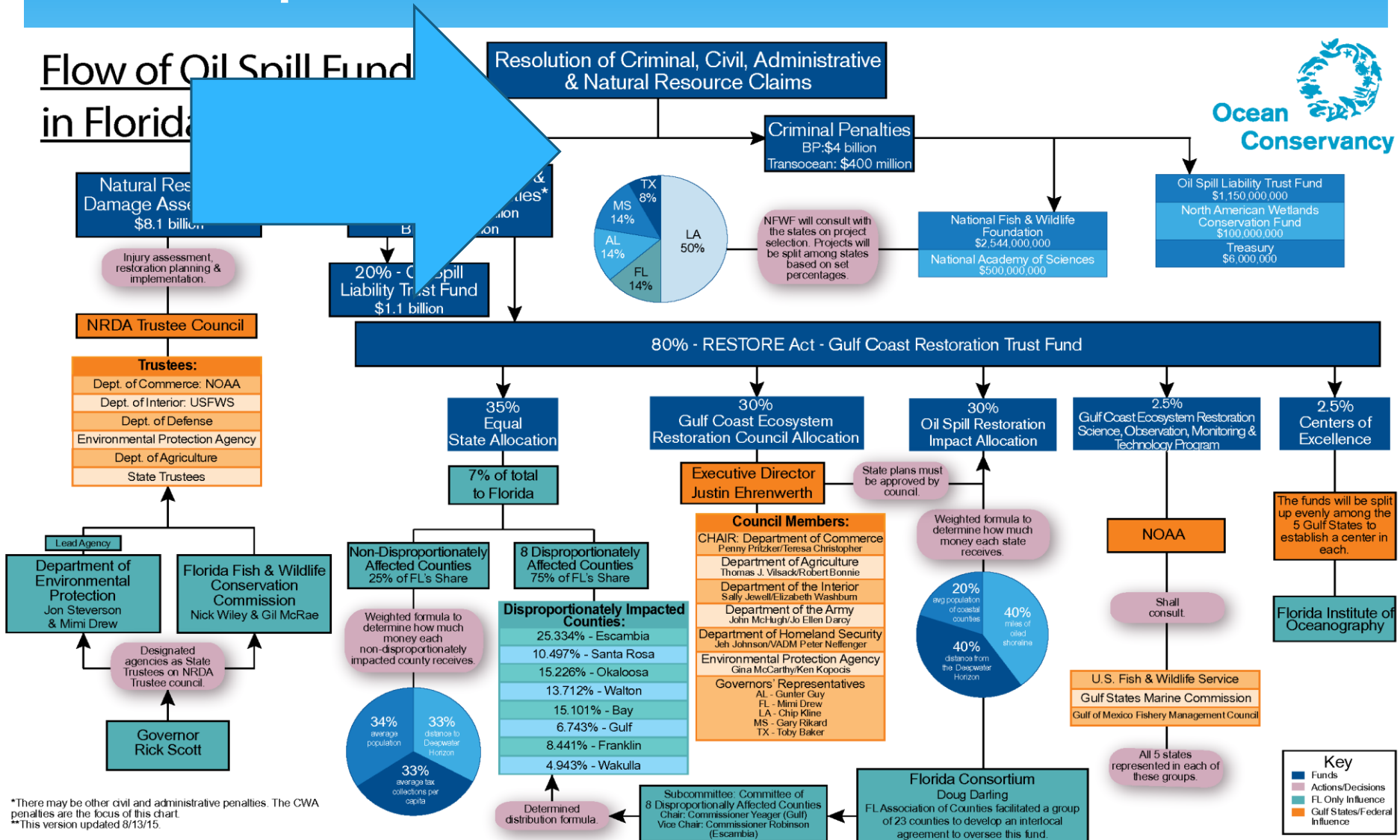
13. Provide & enhance recreational opportunities

Natural Resource Damage Assessment (NRDA)

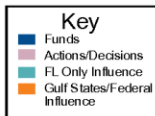
- * \$8.8 billion Gulf-wide, including \$1 billion Early Restoration funds
- * \$680 million for FL, proposed allocation by restoration goals and habitat types, \$335 million for water quality
- * \$350 million region-wide
- * \$1.24 billion open ocean
- * Over 15 years

Selected Deepwater Horizon-related funds

Flow of Oil Spill Fund in Florida



*There may be other civil and administrative penalties. The CWA penalties are the focus of this chart.
 **This version updated 8/13/15.



National Fish & Wildlife Foundation Gulf Environmental Benefit Fund

- * To “remedy harm and eliminate or reduce the risk of future harm to Gulf Coast natural resources.”
- * \$356M for Florida over five years, focused on NW FL
- * More than \$50M allocated to date for 15 restoration projects in FL

National Fish & Wildlife Foundation Gulf Environmental Benefit Fund

Funding priorities include, but are not limited to, projects that contribute significantly to the following natural resource outcomes:

- * Restore and maintain the ecological functions of landscape-scale coastal habitats, including barrier islands, beaches and coastal marshes, and ensure their viability and resilience against existing and future threats;

National Fish & Wildlife Foundation Gulf Environmental Benefit Fund

Funding priorities (cont'd)

- * Restore and maintain the ecological integrity of priority coastal bays and estuaries; and
- * Replenish and protect living resources including oysters, red snapper and other reef fish, Gulf Coast bird populations, sea turtles and marine mammals

National Academy of Sciences Gulf Research Program

“... works to enhance oil system safety and the protection of human health and the environment in the Gulf of Mexico and other U.S. outer continental shelf areas

by seeking to improve understanding of the region’s interconnecting human, environmental, and energy systems

and fostering application of these insights to benefit Gulf communities, ecosystems, and the Nation.”

National Academy of Sciences Gulf Research Program

Six overarching strategies:

- * Long-term, cross boundary perspective
- * Science to advance understanding
- * Science to serve community needs
- * Synthesis and integration
- * Coordination and partnerships
- * Leadership and capacity building

National Academy of Sciences Gulf Research Program

- *Funding opportunities are advertised and applications are evaluated by the Program
- *\$500 million Gulf-wide over 30 years

North American Wetlands Conservation Fund - Gulf of Mexico

- * To fund “wetlands restoration and conservation projects” located in the Gulf or projects that would “benefit migratory bird species and other wildlife and habitat affected by” the Deepwater Horizon oil spill.
- * \$100 million Gulf-wide, anticipated all to be paid by 2018

Gulf of Mexico Research Initiative

GoMRI

- * To “... investigate the impacts of the oil, dispersed oil, and dispersant on the ecosystems of the Gulf of Mexico and affected coastal States in a broad context of improving fundamental understanding of the dynamics of such events and their environmental stresses and public health implications.
- * The GoMRI will also develop improved spill mitigation, oil and gas detection, characterization and remediation technologies.”

Gulf of Mexico Research Initiative

GoMRI

- * Funding opportunities are advertised
- * National Science Board peer evaluation protocols used to select funded research
- * \$500 million Gulf-wide over 10 years, started 2010, approximately \$175 million has been awarded

Deepwater Horizon Disaster Proposed Settlement Overview

Economic damages – Florida

- * \$2 billion over 17 years
- * \$1.5 billion to Triumph Gulf Coast Inc.
Recovery Fund
 - * Approximately \$50 million/year for 30 years to be disbursed through Triumph

Triumph Gulf Coast, Inc.

- * Established by the 2013 Florida Legislature through the Gulf Coast Economic Corridor Act
- * To be funded by 75% of Deepwater Horizon economic damages awards to Florida
- * For the benefit of the Eight Disproportionately Affected Counties (Escambia to Wakulla)

Triumph Gulf Coast

- * Awards “to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties”
- * Includes workforce training projects

Triumph Gulf Coast

Awards may be provided for:

- * Ad valorem tax reduction
- * Payment of impact fees
- * Administrative funding for economic development organizations

Triumph Gulf Coast

Awards may be provided for (cont'd):

- * Local match requirements for specified programs
- * Economic development projects
- * Infrastructure projects shown to enhance economic development

Triumph Gulf Coast

Awards may be provided for (cont'd):

- * Grants to local governments for equipment and personnel for disaster planning and response
- * Grants to Florida Tourism Industry Marketing Corporation

Triumph Gulf Coast

Awards may be provided for (cont'd):

- * Grants to support programs of excellence that prepare students for future occupations and careers at K-20 institutions that have home campuses in the disproportionately affected counties

Triumph Gulf Coast

Awards may be provided for (cont'd):

- * fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors

Triumph Gulf Coast

Awards may be provided for (cont'd):

- * **encourage students** with interest or aptitude for **science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university** within the disproportionately affected counties

Triumph Gulf Coast

Awards may be provided for local match requirements for following programs:

- * Rural Infrastructure Fund
- * Local Government Distressed Area Matching Grant Program
- * Qualified defense contractor and space flight business tax refund program
- * Tax refund program for qualified target industry businesses

Triumph Gulf Coast

Priority given to projects and programs that:

- * Generate maximum estimated economic benefits
- * Increase household income
- * Expand or establish high growth industries

Triumph Gulf Coast

Priority given to projects and programs (cont'd)

- * Leverage key regional assets – e.g. educational institutions, research facilities, military bases
- * Partner with local governments, TDCs...
- * Have private investment commitments

Triumph Gulf Coast

Priority given to projects and programs (cont'd)

- * Provide seed stage investments
- * Benefit the environment in addition to the economy
- * Provide outcome measures for programs of excellence support

Triumph Gulf Coast

Priority given to projects and programs (cont'd)

- * Partner with K-20 educational institutions
- * Partner with convention and visitor bureaus, TDCs or Chambers

Triumph Gulf Coast

- * Awards may not be used to finance 100% of any project or program.
- * May require a one-to-one private-sector match or higher for an award

Triumph Gulf Coast

- * Link to statute

- * <http://new.co.bay.fl.us/uploads/documents/1675/file/TriumphGulfCoast2014law.pdf>

- * Link to Triumph web page

- * <http://uwf.edu/offices/oede/funding-opportunities/triumph-gulf-coast-inc/>



Triumph Gulf Coast

Triumph Gulf Coast five-member board:

- * Allan Bense, Bay County – appointed by Senate President Gaetz
- * Stan Connally/Gulf Power, Gulf Breeze area - Gov. Scott
- * Pamela Dana, Destin area - Attorney General Bondi
- * Stephen Riggs, CPA, Destin area - Chief Financial Officer Atwater
- * Bob Bonezzi, Bonezzi Development in Destin area - Speaker of the House Weatherford

Triumph Gulf Coast additional information

Shall establish an application procedure for awards and a scoring process for the selection of projects and programs that have the potential to generate increased economic activity in the disproportionately affected counties