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Secretary Salazar: Coastal States to Share $500 million in Next Two Years from Outer Continental Shelf Oil and Gas Revenues

Impact Assistance Funds will Help Gulf States, Alaska and California to Restore and Protect Coastal Areas

WASHINGTON, D.C. – Six U.S. coastal states will share nearly half a billion dollars from offshore oil and gas revenues in fiscal years 2009 and 2010 to help restore and protect coastal wetlands, wildlife habitat and marine areas, Secretary of the Interior Ken Salazar said today. The funds are available for approved uses by Alabama, Alaska, California, Louisiana, Mississippi, Texas and their coastal local governments.

"The Department takes great pride in its mission to preserve and protect our nation's natural areas," Salazar said in announcing the allocation of funds from the Coastal Impact Assistance Program. "The funding we provide through this program goes a long way to restore portions of our coastline and I look forward to working with each of the states on their upcoming projects."

For Fiscal Year 2009, the total allocations by states include about $121 million for Louisiana; $37.5 million for Alaska; $35.6 million for Texas; $23.8 million for Mississippi; $19.7 million for Alabama; and $5 million for California. The same amounts also will be available in Fiscal Year 2010. Alaska's allocation in 2007 and 2008, which was the minimum 1 percent, rose more than 1500 percent due to bonus payments of about $2.6 billion in Chukchi Sea Sale 193, held in February 2008, and variability of production in the Gulf of Mexico due to recent hurricanes.

The Coastal Impact Assistance Program, mandated by the Energy Policy Act of 2005 and administered by Interior's Minerals Management Service, authorizes funds to be distributed to states adjacent to Outer Continental Shelf oil and gas producing areas to mitigate the impacts of that energy development on marine and coastal areas. Under the program, the Secretary of the Interior is authorized to distribute to producing states and coastal political subdivisions $250 million for each of the fiscal years 2007 through 2010.

This money is shared among eligible states and coastal political subdivision and allocated based on formulas prescribed by the Energy Policy Act. Each eligible state is allocated its share based on that state's Qualified Outer Continental Shelf Revenue generated off of its coast in proportion to the total Qualified Outer Continental Shelf Revenue generated off the coasts of all eligible states. Congress also approved a 3-percent appropriation of the funds for the Minerals Management Service to administer the program.

The Energy Policy Act requires that all program funding be used for projects and activities for the conservation, protection, or restoration of coastal areas, including wetlands; mitigation of damage to fish, wildlife, or natural resources; implementation of a federally-approved marine, coastal, or comprehensive conservation management plan; or mitigation of the impact of Outer Continental Shelf activities through funding of onshore infrastructure projects and public service needs.

Eligible recipients can also use the funds for planning these mitigation and restoration measures and to cover the administrative costs of complying with program legislation. Only states that submit a coastal impact assistance plan meeting Minerals Management Service approval are eligible to receive program funds. Plans must be developed in consultation with eligible coastal political subdivisions.

More information on the program is at: http://www.mms.gov/offshore/CIAPmain.htm, including a more specific breakdown of allocations by all six states and 67 coastal political subdivisions. The following chart provides a funding breakdown by states and their coastal political subdivision.

Coastal Impact Assistant Program Fiscal Year 2009 and Fiscal Year 2010
Annual Allocations to States and their Coastal Political Subdivisions

Producing State	Percent	Total Allocation	Direct to States	Direct to CPSs
Alabama	8.14%	$19,728,257.36	$12,823,367.28	$6,904,890.08
Alaska	15.45%	$37,471,876.48	$24,356,719.71	$13,115,156.77
California	2.03%	$4,923,124.98	$3,200,031.24	$1,723,093.74
Louisiana	49.86%	$120,911,588.83	$78,592,532.74	$42,319,056.09
Mississippi	9.82%	$23,819,815.26	$15,482,879.92	$8,336,935.34
Texas	14.40%	$35,645,337.09	$23,169,469.11	$12,475,867.98
Total	100.00%	$242,500,000.00	$157,625,000.00	$84,875,000.00