



Gulf oil and gas production fuels coastal projects

Over the next three fiscal years, nearly \$300 million in federal oil and gas royalties generated by production in the Gulf of Mexico will fund construction of 12 Louisiana coastal protection and restoration projects. It's the largest amount of revenue-sharing dollars received by the state and

allocated for coastal projects under a 2017 expansion of the federal program, and the news reminds us all that the benefits of Gulf oil and gas production extend far beyond our gas tanks.

The Gulf of Mexico Energy Security Act of 2006 (GOMESA) provided incentives to

enhance offshore oil and gas leasing activities in the Gulf of Mexico and shared 37.5 percent of leasing revenues with Louisiana, Texas, Mississippi and Alabama for coastal restoration projects. Restrictions on the types of leases from which revenue would be shared, however, inhibited states from receiving substantial funds from the program. During the first phase of the program from 2007 through 2016, Louisiana's GOMESA receipts averaged about \$1 million-\$2 million per year.

In 2015, the second phase of the act was approved, expanding the definition of qualified offshore royalty revenues that could be shared with states and capping the share among all four states at \$500 million per year. The expanded GOMESA took effect in the 2017 fiscal year, and Louisiana is now beginning to realize an increased revenue from the enhanced royalty-sharing program for coastal projects, while Louisiana's Congressional delegation also pushes for removal of the cap and for a greater share of this revenue to be generated right here off of our coast.

As the Louisiana Coastal Protection and Restoration Authority (CPRA) recently announced, the state's share of the federal royalty revenues will fund the construction or repair of levees, pump stations and drainage canals from Iberia Parish to Plaquemines Parish, as well as construction of the critical Houma Navigation Canal Lock Complex in Terrebonne Parish, protecting over 2 million Louisiana residents who live and work in our coastal communities. Louisiana's oil and gas industry is proud that operators' productivity in the Gulf contributes so significantly to the state's coastal protection efforts and that local governments are so passionately committed to protecting families, homes and businesses.

Between fiscal years 2020 and 2022, just under \$300 million from GOMESA

will be used to construct critical regional projects like:

- Morganza to the Gulf Hurricane Protection System: \$22 million to build or improve levees and other components of this federally approved levee, floodgate and lock system currently funded only by local and state dollars. The 98-mile Morganza system is designed to provide 100-year, Category 3 storm surge protection to more than 150,000 Terrebonne and Lafourche Parish residents and 1,700 square miles of coastal marsh.

- Bayou Chene Flood Control/Storm Surge Flood Gate: \$75 million to complete the design and fully construct this structure that will protect residents of St. Mary, Iberia, Iberville, Terrebonne and Lafourche Parishes.

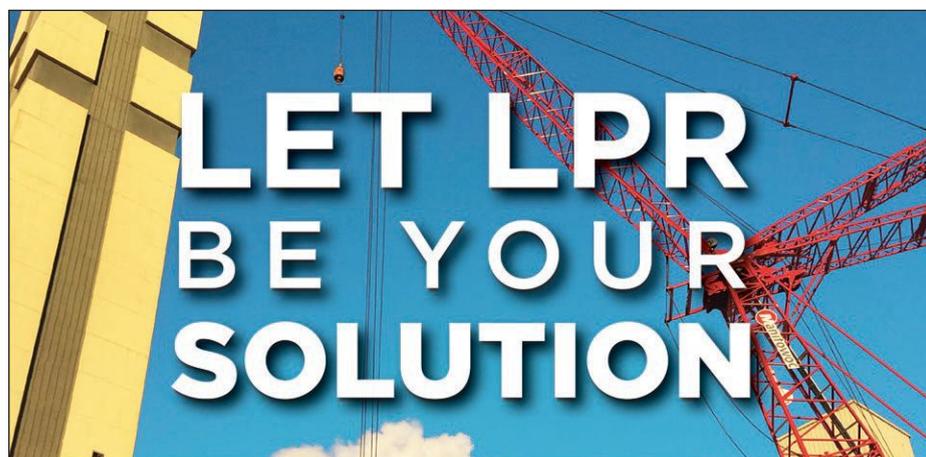
- Bayou Lafourche Pump Station: \$35 million for a critical pump station in Bayou Lafourche that will provide freshwater to coastal marshes in Lafourche Parish.

- Upper Barataria Risk Reduction System: \$12.5 million for levees in St. Charles, St. James and Assumption Parishes.

- Houma Navigation Canal Lock Complex: \$57.4 million to construct this critical link in the Morganza system that will provide significant flooding protection for residents and businesses of the City of Houma.

This is just a portion of the important Louisiana coastal projects made possible over the next three years as a result of federal royalty revenue from oil and gas production in the Gulf of Mexico. Members of LMOGA are committed to producing oil and gas in the Gulf to fuel America, creating jobs that fuel our local and state economies, and generating revenue to sustain and protect the precious coastal communities where we live, work and play.

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