



This document is an update on restoration funding mechanisms and current status tied to the Deepwater Horizon oil spill that occurred in April 2010.

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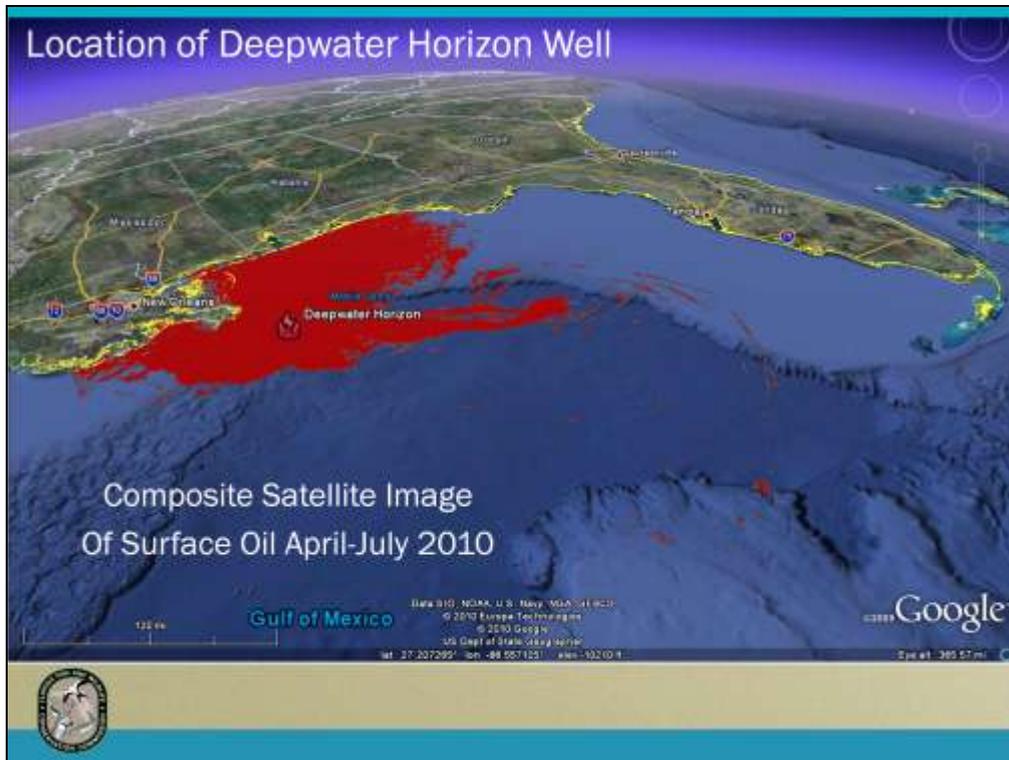
Report date: May 13, 2013

Review of Timeline – Oil Spill

- April 2010 – DWH Rig explodes, killing 11 and releasing 50,000-60,000 barrels of oil/day
- August 2010 – Well capped after ~4.9 million barrels (> 200 million gallons) spilled into the Gulf of Mexico
- Approximately 800,000 barrels collected by BP
- 1.8 million gallons of dispersant (Corexit) used

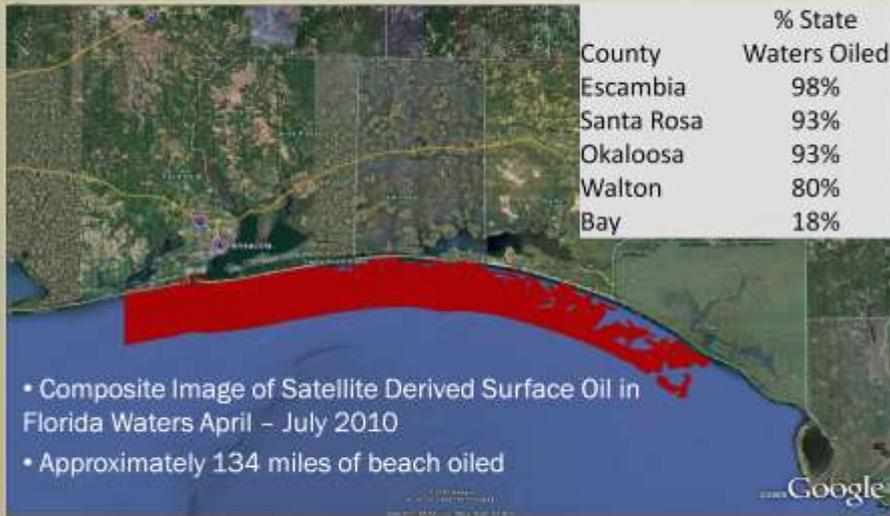


Approximately 42 gallons of oil per barrel

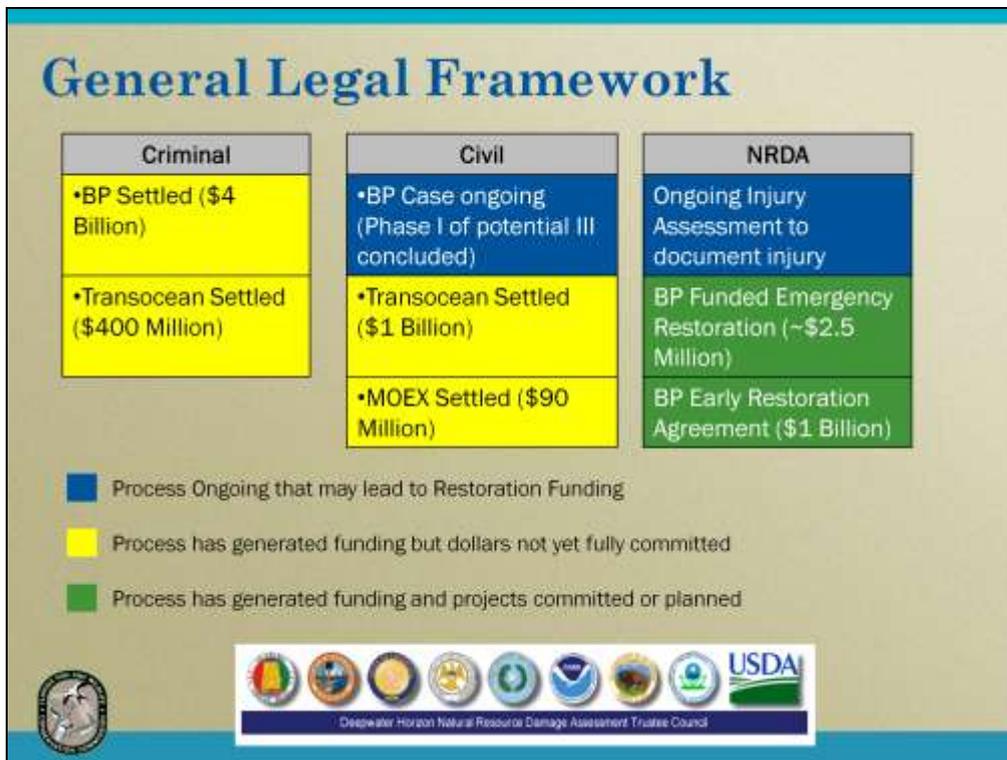


This image represents a composite image of surface oiling in the Gulf of Mexico detected by satellite between April-July 2010.

Deepwater Horizon Oil in Florida Waters



This image represents a composite image of surface oiling in Florida State Waters detected by satellite between April-July 2010. Satellite detection methods are less accurate in shallow water.



In general, funding available (or potentially available) for Gulf restoration is derived from both criminal and civil legal actions, and the Natural Resource Damage Assessment (NRDA) process.

To date, criminal plea agreements with BP and Transocean have resulted in penalties of \$4.4 billion. Civil plea agreements with Transocean and MOEX have resulted in \$1.09 billion in penalties. Approximately \$3.6 billion in funding from these settlements is (or will be) available for restoration projects.

The BP criminal settlement reached in November, 2012 provides two main opportunities for restoration projects. \$100 million to the North American Wetlands Conservation Fund for projects associated with migratory birds, and \$2.394 billion to the National Fish and Wildlife Foundation (NFWF) for projects designed to restore Gulf resources. Highlighted areas in the chart identify areas of restoration funding allocated or potentially available to FL. Out of the NFWF funding, Florida is scheduled to receive \$335 million over a five year period.

In January 2013, Transocean reached a settlement worth \$1.4 billion. \$1 billion in civil penalties are subject to the allocation in the RESTORE act (refer to summary later in this presentation for specifics on the RESTORE act). The \$400 million in criminal penalties are allocated to the National Academy of Sciences (\$150 million), the National Fish and Wildlife Foundation (NFWF) for Gulf restoration projects (\$150 million), and the oil spill liability trust fund (\$100 million) to prepare for future spills. Highlighted areas in the chart identify areas of restoration funding allocated or potentially available to FL. \$21 million of the NFWF funds will be available to FL over a 2 year period.

NRDA Emergency Restoration Projects

- Emergency restoration: Prevent or reduce continuing natural resource injuries and avoid further loss
- Florida: Seagrass Restoration Effort in several panhandle estuaries.
- Kemps Ridley Sea Turtle Nesting: Texas
- Enhanced Refuge Areas for waterfowl: Mississippi



Emergency restoration actions are those taken by Trustees prior to the completion of the Natural Resource Damage Assessment (NRDA) and restoration planning process to prevent or reduce continuing natural resource injuries and avoid potentially irreversible loss of natural resources.

As established in NRDA regulations, Trustees may undertake emergency restoration actions when the following criteria are met:

- The action is needed to avoid irreversible loss of natural resources, or to prevent or reduce any continuing danger to natural resources or similar need for emergency action.
- The action will not be undertaken by the lead response agency.
- The action is feasible and likely to succeed.
- Delay of the action likely would result in increased natural resource damages.
- The cost of the action is not unreasonable.

NRDA Early Restoration

- April 2011, Trustees enter into agreement with BP for \$1 Billion for early restoration
- \$100 million for 5 states, NOAA and DOI
- \$300 million to be allocated by NOAA and DOI based on proposals from the states
- Three Phases of Projects Committed or Pending
 - Phase I - \$62.14 million
 - Phase II - \$9 million
 - Phase III - \$594 million
 - Phase IV - potential



In April, 2011 BP and the Trustees signed a \$1 billion agreement to fund early restoration projects associated with the Deepwater Horizon Oil Spill. These projects are designed to restore damage or loss of use of resources and require quantitative crediting under NRDA guidelines. Separately, the trustees agreed to allocate the \$1 billion as follows: \$100 million to each of the five states, Department of the Interior (DOI) and the National Oceanic and Atmospheric Administration (NOAA) and \$300 million to DOI and NOAA to be allocated to projects submitted by the states. Projects require approval by the trustees, BP and a public review and comment period.

Phase I and II projects have been approved and are completed or underway. Phase III projects have been negotiated and tentatively approved by BP and the trustees pending public review and comment prior to final selection by the trustees.

Early Restoration: Florida Summary Phase I and II

Early Restoration Phase	Project Title	Location (County)	Selected Restoration	Estimated Cost	Status
I	Florida Boat Ramp Enhancement and Construction Project	Escambia County, Florida	Four boat ramp facilities	\$5,067,255.00	Ongoing
I	Florida (Pensacola Beach) Dune Restoration	Escambia County, Florida	20 acres of coastal dune habitat	\$644,487.00	Completed
II	Enhanced Management of Shorebird Breeding Habitat in FL, AL, MS	Florida: Escambia, Santa Rosa, Okaloosa, Franklin counties.	Symbolic fencing, predator control around nesting areas.	\$4,658,118.00	Ongoing
II	Improving Habitat Injured by Spill Response: Mitigating Lighting Impacts on Sea Turtles.	Public beaches in Escambia, Santa Rosa, Okaloosa, Walton, Bay, Gulf, and Franklin counties, FL.	Reduce artificial lighting impacts on nesting sea turtles and hatchlings.	\$4,321,165.00	Ongoing



Total project funding for projects impacting FL in Phase I and II is approximately \$14.7 million.

Early Restoration: Florida Phase III Projects:

- 14 projects proposed in Phase III
 - FWC is lead on 3
- Florida Gulf Coast Marine Fisheries Hatchery/Enhancement Center, Pensacola \$20 million
- Scallop Enhancement for Increased Recreational Fishing Opportunity in the FL Panhandle - \$3 million
- Florida Panhandle Artificial Reefs \$11.4 million



Florida's Proposed NRDA Phase III Projects: Approximately \$58 million

FWC Led Projects

- Florida Gulf Coast Marine Fisheries Hatchery/ Enhancement Center, Escambia County. Approximately \$20 million
- Florida Artificial Reef Creation and Restoration, Escambia, Santa Rosa, Okaloosa, Walton, and Bay counties.
Approximately \$11.4 million
- Scallop Enhancement for Increased Recreational Fishing Opportunity in the Florida Panhandle, Escambia, Santa Rosa, Okaloosa, Walton, Bay, Gulf, and Franklin counties. Approximately \$3 million

Early Restoration: Florida Phase III Projects:

- 14 projects proposed in Phase III
 - DEP is lead on 9
- Pensacola Bay Living Shoreline, \$11 million
- Oyster Reef Restoration \$5.4 million
- Seagrass Recovery \$2.7 million
- Big Lagoon State Park Boat Ramp, \$1.5 million
- Bob Sikes Pier Restoration, \$1 million
- Shell Point Beach Nourishment, \$880,000
- Cat Point Living Shoreline Project, \$800,000
- Perdido Key Boardwalk Improvements, \$600,000
- Perdido Key Dune Restoration, \$600,000



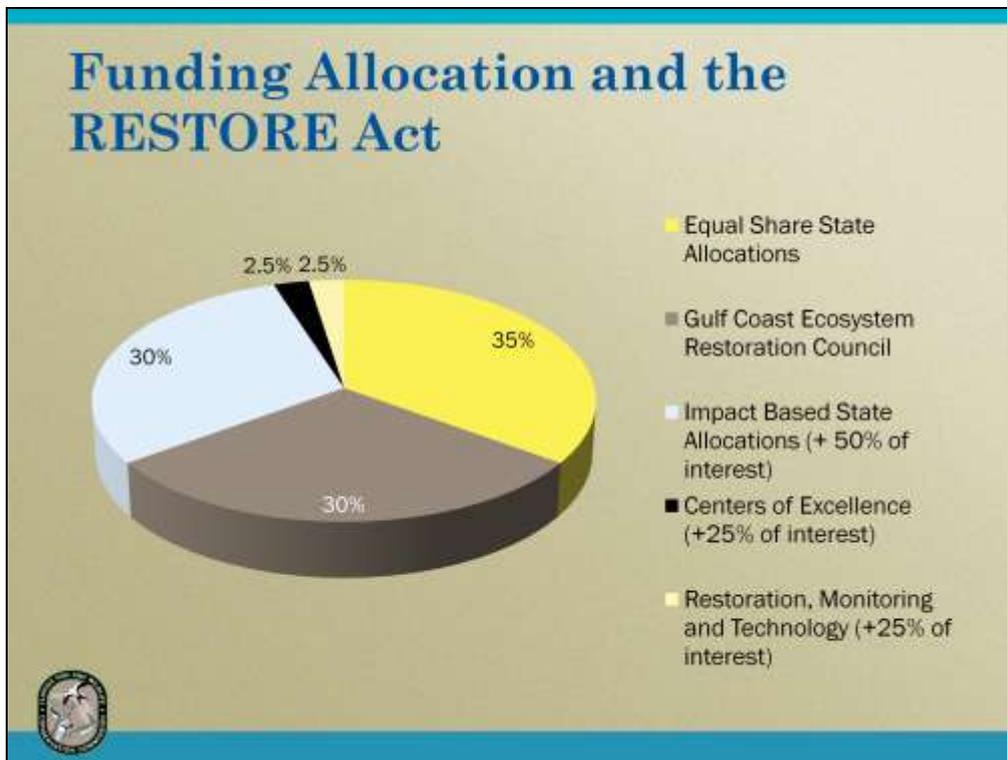
Continuation of Florida's Proposed NRDA Phase III Projects: Approximately \$58 million

DEP Led Projects

- Pensacola Bay Living Shoreline, Escambia County. Approximately \$11 million
- Florida Oyster Reef Restoration Escambia, Santa Rosa, Bay and Franklin counties. Approximately \$5.4 million
- Florida Bay Seagrass Recovery Project, Gulf, Franklin and Bay counties. Approximately \$2.7 million
- Big Lagoon State Park Boat Ramp Improvement, Escambia County. Approximately \$1.5 million
- Bob Sikes Pier Restoration, Escambia County. Approximately \$1 million
- Shell Point Beach Nourishment, Wakulla County. Approximately \$880,000
- Florida Cat Point Living Shoreline Project, Franklin County. Approximately \$800,000
- Perdido Key Boardwalk Improvements, Escambia County. Approximately \$600,000
- Perdido Key Dune Restoration, Escambia County. Approximately \$600,000

Department of the Interior led Projects for Florida

- Beach Enhancement at Gulf Island National Seashore. Approximately \$11,000,000
- Ferry Boat Access to Ft. Pickens, Gulf Island National Seashore. Approximately \$4,000,000



The RESTORE Act, which became law on July 6, 2012, will divert 80% of any civil and administrative Clean Water Act penalties collected as a result of Deepwater Horizon (DWH) to the Gulf Coast for ecological and economic restoration. The act also created the Gulf Coast Ecosystem Restoration Council, which is made up of the 5 Gulf States, U.S. Department of Agriculture, Department of the Army, U.S. Environmental Protection Agency, Department of Homeland Security, U.S. Department of the Interior, and U.S. Department of Commerce (committee chair).

The RESTORE Act specifies an allocation formula that starts with a 35% equal share allocation among the 5 Gulf States, a 30% Allocation to states based on degree of impact which accounts for amount of oiled shoreline and distance from the wellhead, and a 30% allocation to the Gulf Coast Ecosystem Restoration Council, which will develop a Comprehensive Restoration Plan (expected to be finalized in summer 2013) to guide the spending of this allocation. In January, 2013 the Council published “A Path Forward” document that outlines the strategy for developing the Comprehensive Plan.

In addition, 2.5% of the funding is allocated to support two science programs: A restoration, monitoring, observation and technology program led by NOAA and US Fish and Wildlife Service in consultation with the Gulf of Mexico Fisheries Management Council and the Gulf of Mexico Fisheries Commission, and funding for Centers of Excellence in each of the 5 Gulf States for monitoring and research.

RESTORE Priorities: Florida

- Stormwater / Wastewater infrastructure
- Community resilience / Living shorelines,
- Water quality projects including those which achieve water quality benefits provided by the preservation of buffer lands around military bases,
- Implementation of agriculture best management practices
- Fish and wildlife habitat and management.



DEP and FWC have established general guidelines for RESTORE Act funding in Florida. In order to provide an opportunity for the public to suggest potential projects for the state to consider submitting to the Council for consideration in the Comprehensive Plan, the DEP has created an [online project submittal form](#). Priority will be given to projects that address one of the following areas:

- Stormwater / Wastewater infrastructure projects,
- Community resilience / Living shorelines,
- Water quality projects including those which achieve water quality benefits provided by the preservation of buffer lands around military bases,
- Implementation of agriculture best management practices, or
- Fish and wildlife habitat and management.

RESTORE Priorities: FWC

Saltwater Fish Hatchery Network Expansion	Shoreline Protection and Shellfish Restoration
Enhanced Gulf Fishery Independent Monitoring	Restore Florida Keys Water Quality and Coral Reef Ecosystems
Implement Wildlife Recovery and Management Plans	Enhanced Fisheries Habitat Management
Expand Artificial Reefs	Land Acquisition and Management
Boating Access Enhancement	Restore Panhandle River Systems
Fish and Wildlife Based Tourism Projects	Restore Water Quality through land management
Enhanced Oil Spill Response	



FWC has identified a number of more specific agency priorities for potential funding under RESTORE act funds.

Restoration Funding Summary

- Approximately \$102 million committed to FL project through NRDA emergency/early restoration funding
- \$10 million from MOEX settlement for stormwater management and land acquisition
- \$356 million available to FL over a five year period for additional projects from NFWF
- \$4.5-\$17.6 billion (Gulfwide) from civil penalties, distribution to be guided by the RESTORE act.



This slide recaps the funding that is in place for FL projects. The amount of civil penalties that are collected from responsible parties (and subject to the RESTORE act distribution formulae) will depend on whether a per-barrel or per-day penalty is applied, whether the responsible parties acted with gross negligence or willful misconduct, and factual findings about the spill. Estimates put this dollar amount at \$4.5-\$17.6 billion Gulfwide.

National Fish and Wildlife Foundation

- NFWF designated as recipient of payments in BP and Transocean plea agreements: Gulf Environmental Benefit Fund created.
- NFWF has expanded their capability as a result
 - Board of Directors expanded to include 4 new members with ties to the Gulf of Mexico
 - Two regional staff directors added to oversee the Gulf Fund
- Plea language specifies: *"(payments shall be used to) conduct or fund projects to remedy harm to resources where there has been injury to, or destruction of, loss of, or loss of use of those resources resulting from the Macondo oil spill."*



The National Fish and Wildlife Foundation is one of the nation's largest non-profit funders of conservation projects. NFWF was created by the U.S. Congress in 1984 to protect and restore fish and wildlife and their habitats. Their mandate is to connect government agencies, non-profit organizations, corporations and individuals to combine federal funds with private donations for effective, results-oriented conservation projects. Since its establishment, NFWF has awarded over 12,100 grants to more than 4,000 organizations, leveraging \$618 million in federal funds into more than \$2.1 billion for conservation through our partnerships.

Both the BP and Transocean plea agreements named NFWF as a recipient of payments and specify that: " (NFWF shall use the payments..) to conduct or fund projects to remedy harm to resources where there has been injury to, or destruction of, loss of, or loss of use of those resources resulting from the Macondo oil spill."

The National Fish and Wildlife Foundation (NFWF) has established the Gulf Environmental Benefit Fund to help manage \$2.444 billion in funds for Gulf Restoration originating from legal settlements to date. The payment schedule for Florida will result in a total of \$356.16 million in funding over a period of 5 years.

National Fish and Wildlife Foundation

- Initial coordination meeting held with NFWF and FWC, DEP
- FWC serving a leadership role in defining NFWF process for FL
- Online project submittal process available through DEP oil spill portal



Date	Florida Payments (\$ Millions)
Apr-13	\$22.12
Feb-14	\$49.42
Feb-15	\$47.46
Feb-16	\$42.00
Feb-17	\$70.00
Feb-18	\$125.16
Totals	\$356.16



The process for directing NFWF funds to restoration projects in Florida is currently being defined by NFWF, the Department of Environmental Protection, and FWC -- with FWC taking a leadership role for the state.

FWC and DEP have set up an online portal for receiving project submissions for NFWF funding:

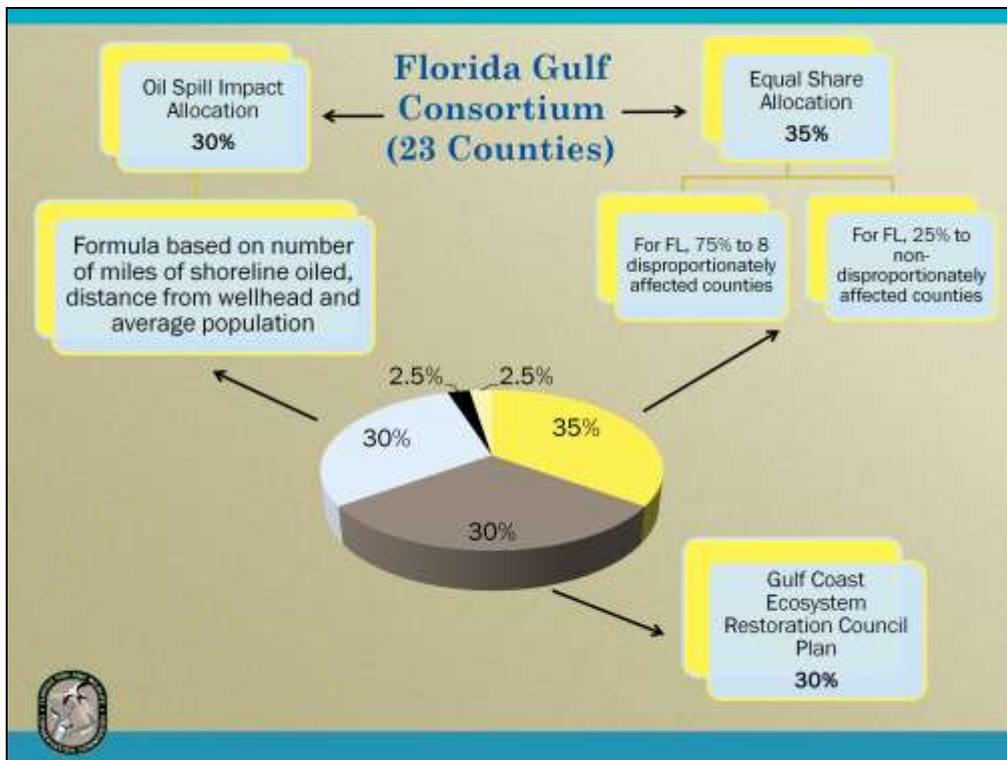
http://www.dep.state.fl.us/deepwaterhorizon/files/Project_Submittal_Form_distributed.pdf

Questions?



The following slides are considered backup material and are not anticipated to be part of the Commission meeting presentation.





In Florida, the 23 Gulf coastal counties have access to two categories, 35% directly to the counties; and 30% to a consortium of [counties](#). A third category provides that 30% of the funds be used for projects of Gulf-wide significance, and will be allocated according to a Comprehensive Plan developed by the Gulf Coast Ecosystem Restoration Council (Council). Governor Scott represents Florida on the Council, and has asked the Florida Department of Environmental Protection (DEP) to propose restoration projects to the Council for inclusion in the Comprehensive Plan. There are two other categories of 2.5% each. One category is providing monitoring and science support for NOAA and US Fish and Wildlife Service; and the other category is providing funding to Centers of Excellence Research Grants (Grants). In Florida, the Grants will be controlled by the [Florida Institute of Oceanography](#).

State Allocation/Countries (35%)

Distribution of equal share allocation will proceed as follows:

- Disproportionately Impacted Counties (75%, Escambia-Wakulla), the Gulf Consortium is working on an allocation formula for these 8 counties.
- Nondisproportionately Impacted – (25%, Jefferson-Monroe) through a formula based on weighted average population (34%), weighted average of per capita sales tax (33%), and weighted average distance from spill (33%).

Distribution of oil spill impact allocation to each state will be based on:

- A formula based on number of miles of shoreline experienced oiling (40%), inverse proportion of the average distance (oiled shoreline) from the spill (40%), and average population (20%). Further allocation of these funds within Florida will be based on a plan developed by the Gulf Consortium and approved by the Gulf Coast Ecosystem Restoration Council.