



State of Louisiana

**DEPARTMENT OF ENERGY
AND NATURAL RESOURCES**

Federal Authorization and Revenue

*The importance of WRDA and revenue sharing
for St. Tammany Parish's coastal resilience*

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Water Resources Development Act of 2024 (WRDA)

Congressional Action on WRDA

On July 22, the House passed its version of the Water Resources Development Act (WRDA), [H.R. 8812](#), by a 359 - 13 vote.

On August 1, the Senate passed its WRDA, [S. 4367](#), unanimously.

State of Play

The Committees of Jurisdiction are informally conferencing the two bills together, seeking to produce a consensus product for final passage this year.

Perspective

Should that occur, it will be the sixth time in a row that WRDA has passed on a biannual basis.

Outcome

Authorized projects for construction can begin competing for funds. Typically, funding will start with the design phase. Receiving the first funding for construction may require a new start, which is a considerable hurdle that would require Congressional support or Administration support.

Authorized projects for study can begin the 3x3 process, as in three years, \$3 million to investigate the feasibility of it. Typically, studies for large projects can take longer, and require more funding, to complete.



Authorization of St. Tammany Project

Both WRDA bills propose to authorize the St. Tammany Flood Risk Management project.

This would be the largest project authorized in WRDA 2024. Congress proposes authorizing \$9.9 billion for 13 projects in the Senate, and this project would represent 59% of that total.

Senate version

TITLE IV—PROJECT AUTHORIZATIONS

SEC. 401. PROJECT AUTHORIZATIONS.

The following projects for water resources development and conservation and other purposes, as identified in the reports titled “Report to Congress on Future Water Resources Development” submitted to Congress pursuant to section 7001 of the Water Resources Reform and Development Act of 2014 (33 U.S.C. 2282d) or otherwise reviewed by Congress, are authorized to be carried out by the Secretary substantially in accordance with the plans,

† S 4367 ES

(3) HURRICANE AND STORM DAMAGE RISK REDUCTION.—

A. State	B. Name	C. Date of Report of Chief of Engineers	D. Estimated Costs
3. LA	St. Tammany Parish, Louisiana Coastal Storm and Flood Risk Management	May 28, 2024	Federal: \$3,653,346,450 Non-Federal: \$2,240,881,550 Total: \$5,894,229,000



Authorization of St. Tammany Project

Both WRDA bills propose to authorize the St. Tammany Flood Risk Management project.

This would be the largest project authorized in WRDA 2024. Congress proposes authorizing \$9.8 billion for 12 projects in the House, and this project would represent 60% of that total.

House version

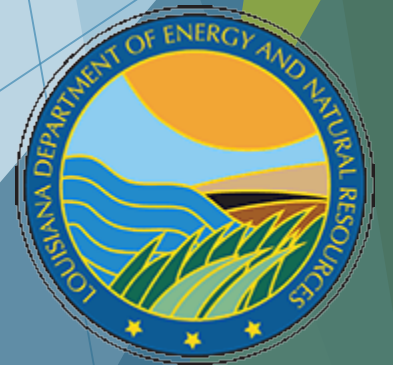
TITLE IV—WATER RESOURCES INFRASTRUCTURE

SEC. 401. PROJECT AUTHORIZATIONS.

The following projects for water resources development and conservation and other purposes, as identified in the reports titled “Report to Congress on Future Water Resources Development” submitted to Congress pursuant to section 7001 of the Water Resources Reform and Development Act of 2014 (33 U.S.C. 2282d) or otherwise reviewed by Congress, are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, described in the respective reports or decision documents designated in this section:

(3) FLOOD RISK MANAGEMENT AND HURRICANE AND STORM DAMAGE RISK REDUCTION.—

<i>A. State</i>	<i>B. Name</i>	<i>C. Date of Report of Chief of Engineers</i>	<i>D. Estimated Costs</i>
<i>1. LA</i>	<i>St. Tammany Parish, Lou- isiana Coastal Storm and Flood Risk Management</i>	<i>May 28, 2024</i>	<i>Federal: \$3,653,346,450 Non-Federal: \$2,240,881,550 Total: \$5,894,229,000</i>



Authorization of Lake Pontchartrain Storm Surge Reduction Study

Both WRDA bills propose to authorize a study of the Lake Pontchartrain Storm Surge Reduction project, also known as the Lake Pontchartrain Barrier in the Louisiana Coastal Master Plan.

Senate version

TITLE II—STUDIES AND REPORTS

SEC. 201. AUTHORIZATION OF PROPOSED FEASIBILITY STUDIES.

(a) NEW PROJECTS.—The Secretary is authorized to conduct a feasibility study for the following projects for water resources development and conservation and other purposes, as identified in the reports titled “Report to Congress on Future Water Resources Development” submitted to Congress pursuant to section 7001 of the Water Resources Reform and Development Act of 2014 (33 U.S.C. 2282d) or otherwise reviewed by Congress:

(29) LAKE PONTCHARTRAIN BARRIER, LOUISIANA.—Project for hurricane and storm damage risk reduction, Orleans Parish, St. Tammany Parish, and St. Bernard Parish, Louisiana.



Authorization of Lake Pontchartrain Storm Surge Reduction Study

Both WRDA bills propose to authorize a study of the Lake Pontchartrain Storm Surge Reduction project, also known as the Lake Pontchartrain Barrier in the Louisiana Coastal Master Plan.

House version

TITLE II—STUDIES AND REPORTS

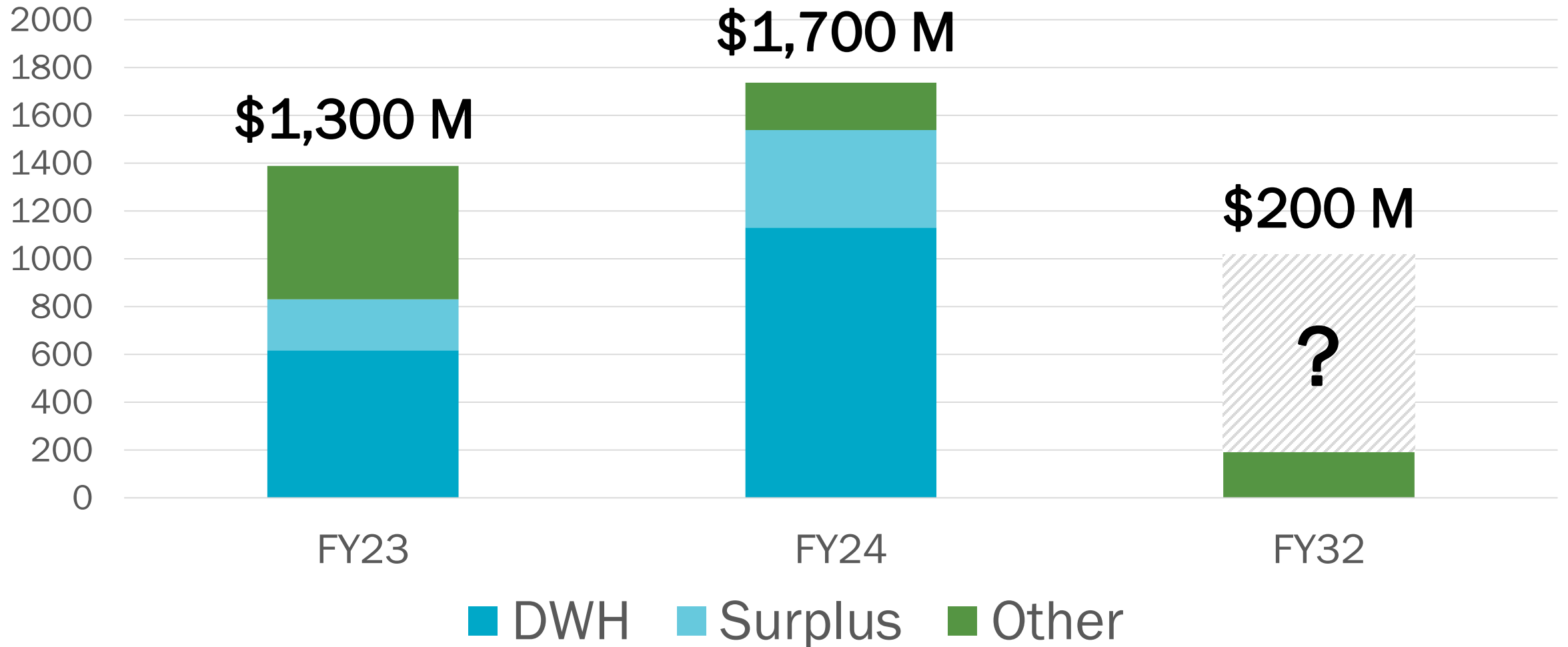
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(46) LAKE PONTCHARTRAIN STORM SURGE REDUCTION PROJECT, LOUISIANA.—Project for hurricane and storm damage risk reduction, Lake Pontchartrain, Orleans, St. Tammany, Tangipahoa, Livingston, St. James, St. John, St. Charles, Jefferson, and St. Bernard Parishes, Louisiana.



Change in Available Coastal Revenues by 2031 after expiration of Deepwater Horizon funding

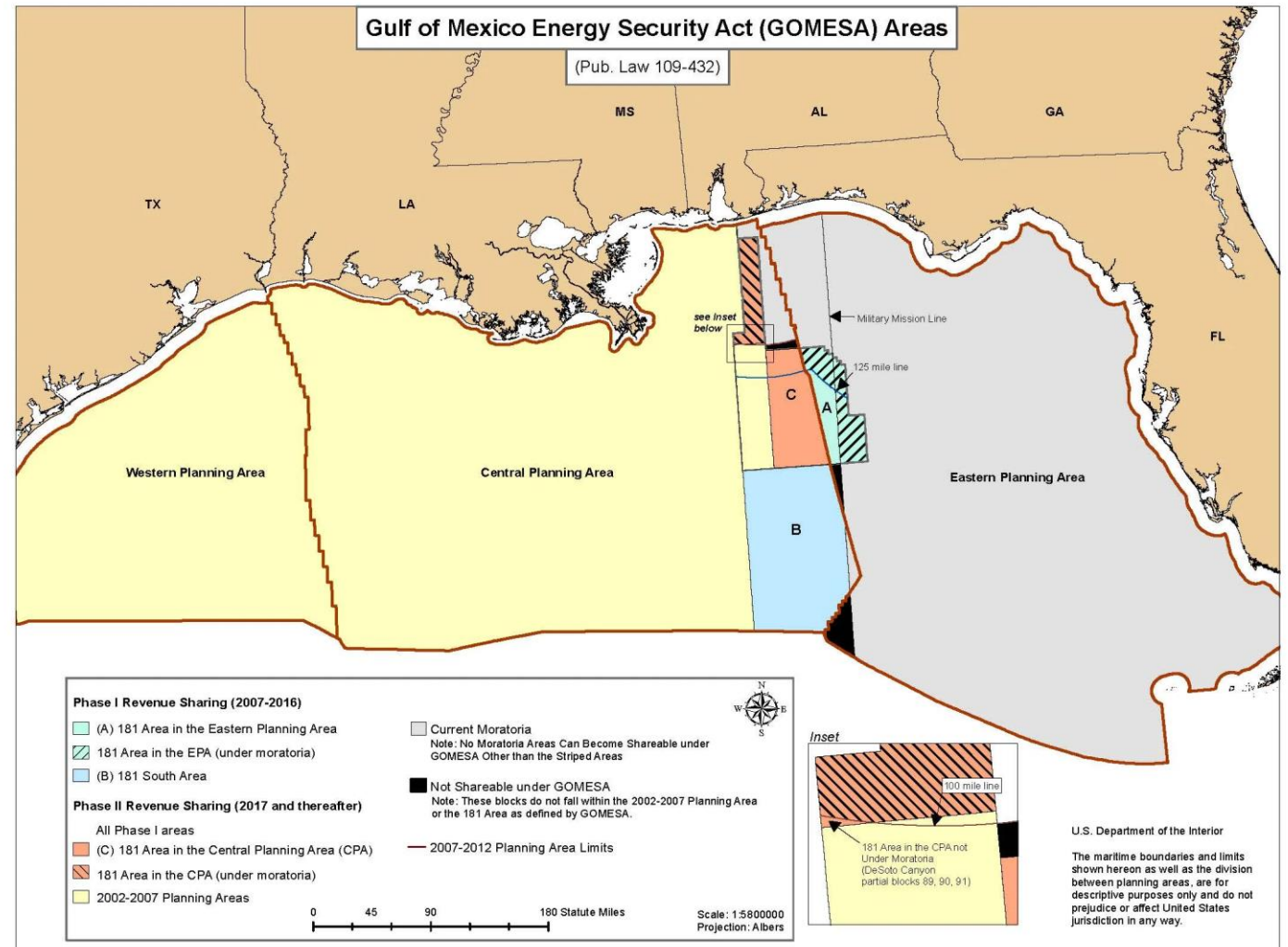


Gulf of Mexico Energy Security Act (GOMESA)

GOMESA was passed in 2006, allowing for the first time revenue sharing for oil and gas production in federal waters.

- The first decade, Phase 1 covered only small portion received until Phase 2 disbursements ns, so significant revenues were not in 2018 that covered Western & Central Planning area.
- GOMESA only applies to leases issues issued after enactment, so it applies to a small - but growing - share of the current activity.
- GOMESA provided \$353 million in 2024 to TX, LA, MS, and AL.

GOMESA distributes less than 5% of yearly federal revenues from Gulf of Mexico oil and gas activities.



Current Law on Revenue Sharing from Offshore Energy

Some revenue sharing allowed from offshore oil & gas development through GOMESA.

- ▶ First \$1 billion per year of eligible revenue is allowed for sharing (resulting in a cap) according to the following percentages:
 - ▶ GOMESA states of TX, LA, MS and AL and coastal political subdivisions receive 37.5% of such funds up to \$375 million.
 - ▶ Land and Water Conservation Fund receives 12.5% up to \$125 million
 - ▶ Treasury receives 50% and 100% after cap is reached.
- ▶ Only includes Gulf of Mexico leases from 2007 onward
- ▶ Sequestration applies, reducing distributed funds by 5.7%
- ▶ Eligible uses proscribed.

No federal revenue sharing program exists for offshore wind development - or any other future energy resource.

- ▶ 100% of funds go to U.S. Treasury
- ▶ 0% to hosting states.

Onshore oil and gas production on federal lands has revenue sharing

- ▶ 50% shared with hosting states
- ▶ 40% goes to Reclamation Fund

98 Years Later...

The Mineral Lands Leasing Act of 1920 initiated revenue sharing at 50% for interior states with no cap.

GOMESA states did not receive a substantial sum from offshore oil and gas until 2018.



FY23 GOMESA Revenues

- ▶ Interior disbursed a total of **\$353.625 million** on March 29.
- ▶ Louisiana received \$156.3 million (44%), Texas \$95.6 million (27%), Mississippi 51.9 million (14%), and Alabama \$49.8 million (14%).
- ▶ **For the second year in a row, the revenue sharing cap has been hit for GOMESA.**
- ▶ The cap is reducing the percentage state would receive from otherwise GOMESA-eligible activity (*revenues generated from activity occurring from 2007 onward*).
- ▶ Budget sequestration takes away \$21.375 million, or about 5.7% of the revenue that would otherwise be shared within the 37.5% state share of the first \$1 billion in generated revenues from GOMESA-eligible offshore activities during a fiscal year. The state share is really around 35.3%.
- ▶ **Federal offshore revenue for FY23 was \$7.626 billion. Shared GOMESA revenue was only 4.6% of all FY23 activity in federal waters.**
- ▶ If GOMESA states had the same revenue sharing as Interior States do (50% of all revenue), then they would receive approximately \$3.813 billion in FY23.

FY23 GOMESA under Interior State policy (assuming no revenue from AK)

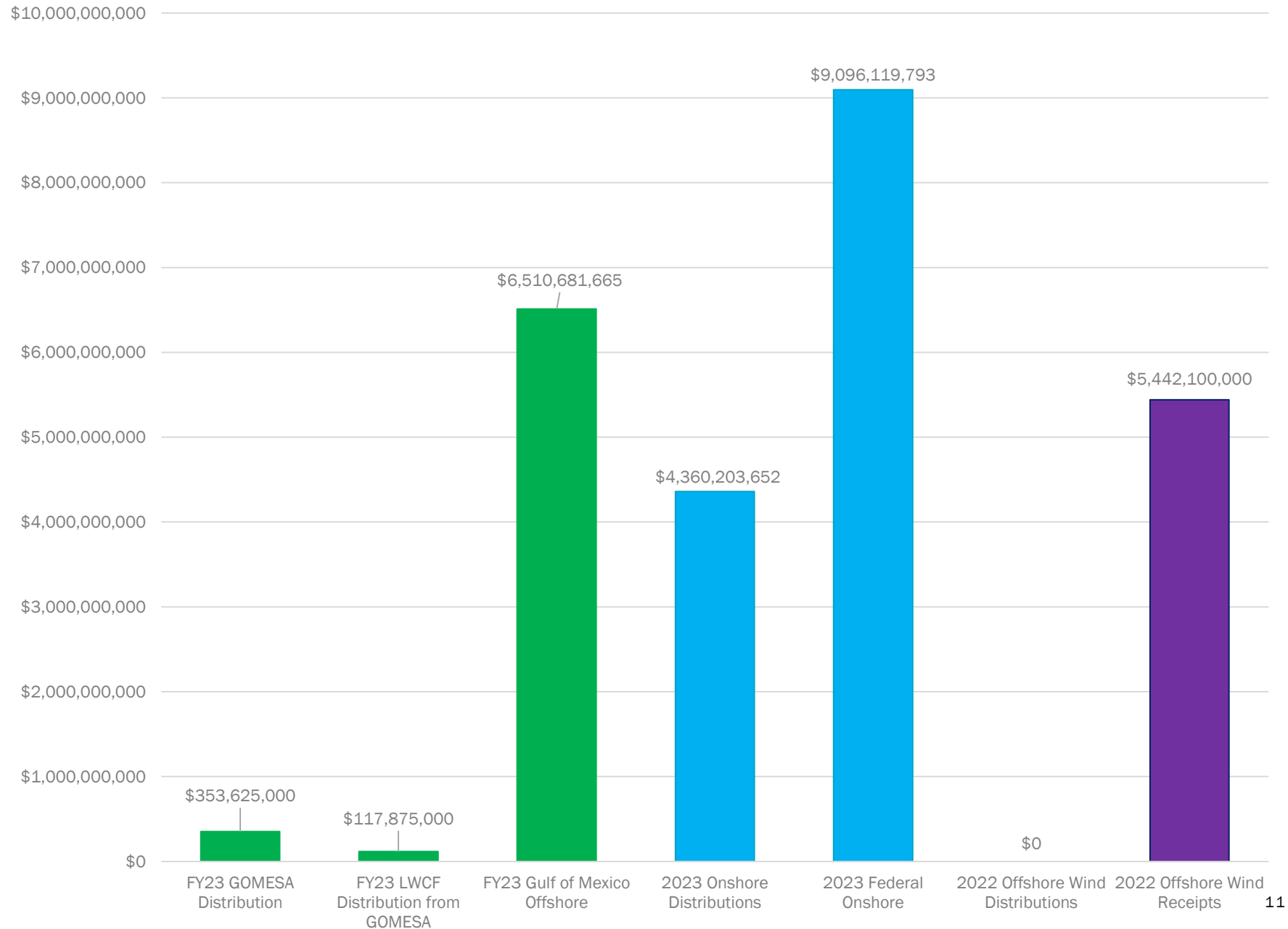
LA - \$1.69B. TX - \$1.03B. MS - \$559.8M. AL - \$537.3M.

State of Louisiana & CPS	\$156,329,442.65
State of Louisiana	\$125,063,554.13
Assumption Parish	\$1,025,575.78
Calcasieu Parish	\$1,691,776.20
Cameron Parish	\$2,095,495.70
Iberia Parish	\$1,617,190.25
Jefferson Parish	\$2,538,333.90
Lafourche Parish	\$1,612,387.64
Livingston Parish	\$1,325,121.51
Orleans Parish	\$2,223,457.33
Plaquemines Parish	\$3,055,059.45
St. Bernard Parish	\$1,493,149.15
St. Charles Parish	\$1,099,142.70
St. James Parish	\$957,874.55
St. John the Baptist Parish	\$1,025,906.65
St. Martin Parish	\$1,153,309.09
St. Mary Parish	\$1,341,025.75
St. Tammany Parish	\$1,770,846.79
Tangipahoa Parish	\$1,270,079.32
Terrebonne Parish	\$2,358,501.78
Vermilion Parish	\$1,611,654.98

Federal Mineral Revenue Sharing

NOTE: The data used in this graph is from the website of the Office of Natural Resources Revenue (ONRR) of the Department to the Interior.

Comparison of Revenue Sharing with States
among Gulf of Mexico Oil & Gas (GOMESA), Onshore Oil and Gas, and Offshore Wind



Legislation Related to Increasing Revenue Sharing

RISEE Act

RISEE increases revenue sharing from offshore oil and gas development for GOMESA states

- ▶ Eliminates statutory cap of \$375 million for revenue sharing and \$125 million cap for stateside Land & Water Conservation Fund
- ▶ Adds reporting requirements but limits Interior's response
- ▶ Clarifies eligible uses that projects cannot be solely for entertainment

RISEE initiates for the first time revenue sharing from offshore wind development

- ▶ 37.5% to coastal states based on distance from project
- ▶ 12.5% to National Ocean and Coastal Security Fund
- ▶ Includes all offshore wind leases since 2022

RISEE is led by Senator Whitehouse, Senator Cassidy, Congresswoman Fletcher, and Congressman Weber.

In 2022, **RISEE** passed the Senate Energy and Natural Resources Committee with a unanimous vote.

BREEZE Act

BREEZE increases revenue sharing from offshore oil and gas development for GOMESA states

- ▶ Raises percentage shared from 37.5% to 50%
- ▶ Eliminates statutory cap of \$375 million for revenue sharing and \$125 million cap for stateside Land & Water Conservation Fund
- ▶ Exempts GOMESA from sequestration

BREEZE initiates for the first time revenue sharing from offshore wind development

- ▶ 50% to coastal states based on distance from project
- ▶ 37.5% to North American Wetlands Conservation Act grants
- ▶ Applies to future offshore wind leases

BREEZE is led by Leader Scalise and Congressman Troy Carter.

In 2023, **BREEZE** passed the House twice in an energy package (H.R. 1).

Both RISEE & BREEZE propose to eliminate 2% Administrative Fee on onshore revenue sharing disbursements.



SHORES Fly-In

Sharing Offshore Revenues from Energy Sources



83

SHORES Members In Attendance



105

Different Congressional Office Meetings



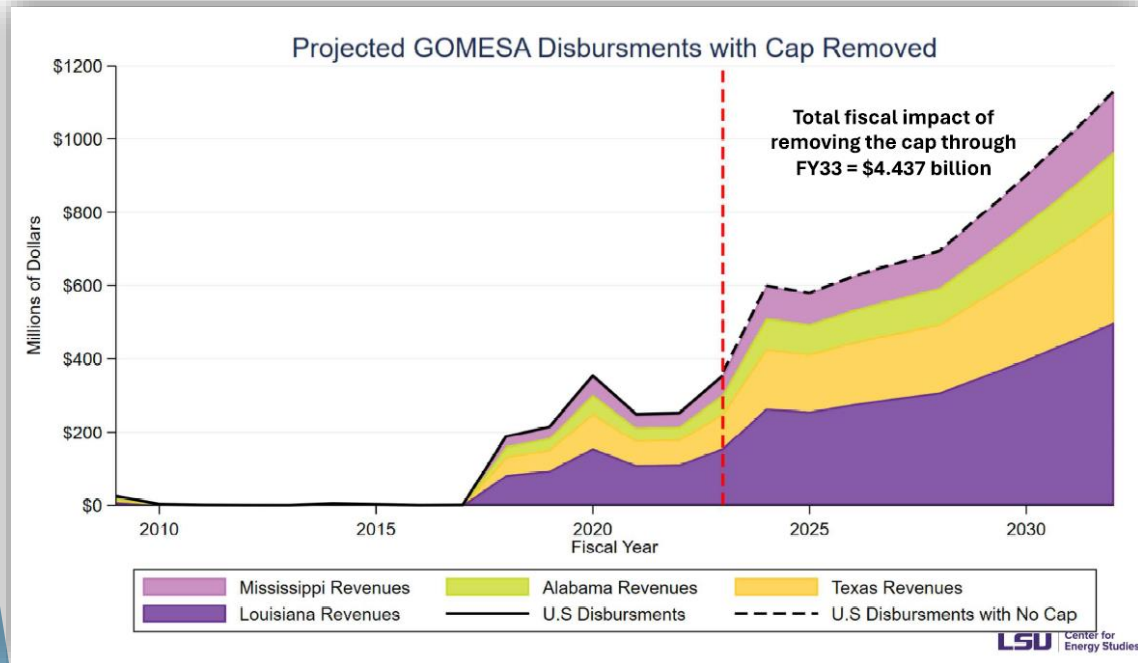
31 *States*

2 *Territories*

SHORES Coalition D.C. Fly In Recap

GOMESA State focus - Value of Removing the cap

- ▶ Met with 20 Texas offices, sharing the \$1.2B value of removing the GOMESA cap
- ▶ Met with 5 Mississippi offices, sharing the \$651M value of removing the GOMESA cap
- ▶ Met with 7 Alabama offices, sharing the \$625M value of removing the GOMESA cap
- ▶ Met with Louisiana delegation, sharing the \$1.96B value of removing the GOMESA cap



SHORES Coalition D.C. Fly In Recap

West Coast Focus - Balance between coastal resilience and supporting types of various energy

- ▶ Met with 12 offices from CA, 3 from OR, 2 from HI & WA, and 1 in AK
- ▶ Handled concerns from anti-oil & gas offices
- ▶ Addressed how funding could help fishing communities
- ▶ Discussed getting revenue sharing set up before wind arrives

Interior States - Administrative Fee Removal + Supporting Energy Communities

- ▶ Emphasized benefit of removing 2% DOI Administrative fee for states like New Mexico and Colorado
- ▶ Emphasized additional Land and Water Conservation Funding
- ▶ Met with Committees of Jurisdiction offices from MN & AR



Senate Committee to Vote on RISEE Act



BILL U.S. Senator for Louisiana
CASSIDY, M.D.

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AUGUST 6, 2024

ICYMI: SENATORS PLAN TO CONSIDER CASSIDY COASTAL INFRASTRUCTURE REVENUE SHARING MEASURE IN SEPTEMBER HEARING

WASHINGTON – The U.S. Senate Committee on Energy and Natural Resources will markup legislation by U.S. Senator Bill Cassidy, M.D. (R-LA) to improve and enhance offshore revenue sharing in September. The Washington Examiner broke the news that the Committee will include the [Reinvesting in Shoreline Economies & Ecosystems \(RISEE\) Act](#) in their next business meeting.

“A pair of senators is planning to advance a coastal infrastructure bill at a hearing next month,” wrote the Washington Examiner.

“The RISEE Act would direct revenue streams from offshore and onshore energy projects to states to use for coastal restoration and conservation,” continued the Washington Examiner.



SHORES Meetings with Committee Members

Dem. Member	SHORES Meeting?	Rep. Member	SHORES Meeting?
Chairman Manchin (WV)	Yes, 2022	Sen. Barrasso (WY)	Yes, 2022
Sen Wyden (OR)	Yes, 2022	Sen. Risch (ID)	Yes, 2022
Sen. Cantwell (WA)		Sen. Lee (UT)	Yes, 2022 & 2024
Sen. Sanders (VT)		*Sen. Daines (MT)	
*Sen. Heinrich (NM)		Sen. Murkowski (AK)	
Sen. Hirono (HI)		Sen. Hoeven (ND)	Yes, 2022
*Sen. King (ME)	Yes, 2024	*Sen. Cassidy (LA)	Yes, 2022 - 2024
Sen. Cortez Masto (NV)		Sen. Hyde-Smith (MS)	Yes, 2022 - 2024
*Sen. Hickenlooper (CO)		Sen. Hawley (MO)	Yes, 2023 & 2024
*Sen. Padilla (CA)			

Sen. Hawley is the only new member of the Committee since the unanimous voice vote in favor of the RISEE Act in 2022.

*** Indicates cosponsor of S. 373, the RISEE Act**

