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FLORIDA AND THE RESTORE ACT: A PROGRESS REPORT

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INTRODUCTION

Almost six years after the Deepwater Horizon oil spill, states along the Gulf Coast continue to deal with the spill's aftermath. In October 2015, BP and the U.S. Justice Department reached a final settlement on claims arising from the spill under which BP agreed to pay fines of \$20.8 billion.ⁱ Under terms of the 2012 Resources and Ecosystems Sustainability, Tourist Opportunities and Revived Economies of the Gulf Coast States Act (RESTORE Act), this money will be divided among the Gulf Coast states according to a set formula, to be used to fund projects that benefit the economies and environments of the affect coastal regions.

FLORIDA'S SHARE

The act provides that 80 percent of the Clean Water Act fines (\$5.5B from the proposed BP settlement, plus some funds from drilling contractor Transocean Ltd. and exploration company Anadarko Petroleum Corp.) will be allocated to the five Gulf States in multiple categories:

- 35 percent of total funds are to be split among the five Gulf Coast states for direct allocations. From the BP settlement alone, each state will receive about \$308 million through the direct component, with Florida's share allocated directly to the state's 23 Gulf

Coast counties directly. Roughly three-quarters of Florida's \$44 million will go to the eight disproportionately affected counties of Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Wakulla and Walton. The remaining funds divided among 15 Gulf counties that did not see significant direct effects from the spill. The five Gulf Coast states also are set to receive about \$3.1 million each, roughly 2.5 percent of the total, in "centers of excellence" research grants that will be administered by the U.S. Treasury Department.

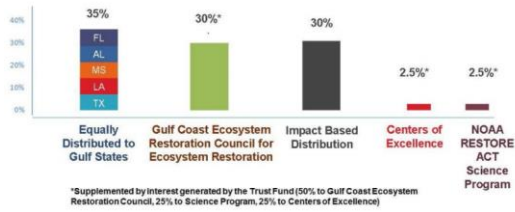
- The second category provides 30 percent of total funds for projects of significance across the whole Gulf. This will be invested per a comprehensive plan developed by the Gulf Coast Ecosystem Restoration Council, which is made up of representatives from all the affected states.
- Florida's share of another 30 percent of total funds will go to the Gulf Consortium, a public entity created in October 2012 by interlocal agreement among Florida's 23 Gulf Coast counties. The consortium will develop a State Expenditure Plan for its share of funds to be used toward economic and environmental recovery. Under a rule published by the Gulf Coast Ecosystem Restoration Council in September 2015, the consortium's share of the spill-impact component, excluding the Transocean settlement, is about \$242 million.ⁱⁱ

IMPLEMENTATION TO DATE

Florida has taken positive steps to ensure transparency in how its share of RESTORE funds are spent. The state's Department of Environmental Protection (DEP) created an online project-submittal form to allow the public to suggest potential projects for Gov. Rick Scott to consider submitting to the council on behalf of the state. Submittals were evaluated by DEP in consultation with the Florida Fish and Wildlife Conservation Commission. Proposed projects ultimately selected by DEP include economically and ecologically vital watershed and estuary restoration projects along Florida's Gulf Coast.

Recipient counties have established ad hoc RESTORE Committees that have created methodical scoring systems to analyze and assign priority to proposed projects, based on guidelines established by the act. These committees have taken public

FIGURE 1: ALLOCATION OF THE GULF COAST RESTORATION TRUST FUND



SOURCE: *U.S. Justice Department*

testimony and many already have begun to provide their respective county commissions with recommendations.

Most of the recommendations made by county RESTORE committees appear to satisfy the Act's goals. In the case of Charlotte County, one of the 15 counties not classified as "disproportionately impacted," the U.S. Treasury Department already approved the \$726,453 multiyear implementation plan the county submitted.ⁱⁱⁱ

There are a few cases, however, either of flawed scoring methodology or misplaced priorities. For example, Walton County has proposing a fish

hatchery that likely would compete with private nurseries in the area.^{iv}

CONCLUSION

Given Florida's dependence on its natural environment and its vulnerability to storms, the state must give priority to programs that protect and restore natural barriers, such as sand dunes, marshes and coastal wetlands. These are commonsense mitigation efforts with long-term benefits that will not only help the area's economy, but also will protect inland developed areas. An additional benefit of this approach would be its contribution to reducing Florida's property-insurance rates. Ultimately, Florida should prioritize the projects that provide the greatest environmental and economic benefit for the longest amount of time.

ABOUT THE AUTHOR

Christian R. Cámara is R Street's Florida director and a senior fellow and co-founder of the institute. He previously held the same position with the Heartland Institute's Center on Finance, Insurance and Real Estate.

ⁱ Office of Public Affairs, "U.S. and Five Gulf States Reach Historic Settlement with BP to Resolve Civil Lawsuit Over Deepwater Horizon Oil Spill," U.S. Justice Department, Oct. 5, 2015. <https://www.justice.gov/opa/pr/us-and-five-gulf-states-reach-historic-settlement-bp-resolve-civil-lawsuit-over-deepwater>

ⁱⁱ Gulf Coast Ecosystem Restoration Council, "RESTORE Act Spill Impact Component Allocation," *Federal Register*, Sept. 29, 2015. <https://www.federalregister.gov/articles/2015/09/29/2015-24816/restore-act-spill-impact-component-allocation>

ⁱⁱⁱ Mindy Collier, "Treasury Department Approves Charlotte County RESTORE Act Plan," Charlotte County, March 9, 2015. <https://www.charlottecountyfl.gov/news/Pages/Treasury-Department-Approves-Charlotte-County-RESTORE-Act-Plan.aspx>

^{iv} Local RESTORE Act Committee, "Minutes," Oct. 7, 2015. <http://www.co.walton.fl.us/Archive/ViewFile/Item/1396>