



State and local officials charged with selecting and funding projects under the RESTORE Act must carefully prioritize. Toward that end, the R Street Institute has created a scorecard system based on seven critical project priorities.

PROPOSED PROJECT:		
CRITERIA	SCORE (+2, 0 or -2)	NOTES
Public benefit		
Direct connection		
Economic impact		
Environmental impact		
Future funding		
Benefit-cost ranking		
Impact and accountability		

PROJECT TOTAL	
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Projects with **negative total scores** should be avoided. Projects with **total scores above +5** should be given heavy consideration.

In evaluating each proposed RESTORE Act project, we ask that public officials seek answers to each of the following questions. For each, an answer of "Yes" should be granted +2 points. An answer of "No" should be assigned -2 points. An answer of "Maybe" should be counted as 0 points.

- 1. Does the project provide public benefit?** RESTORE Act funds should be used to provide public goods: products and services like infrastructure that are used by most or all people and for which use by one person doesn't preclude use by others. A project that offers clear and broad public benefit should be granted +2 points, while a project with few public benefits or whose benefits would flow primarily to a single company or very

small geographic area would receive -2 points.

- 2. Is there a direct connection to areas impacted by the spill?** The RESTORE Act was passed to direct funds for economic and environmental projects in areas affected by the Deepwater Horizon oil spill. A project that restores ecological or economic damage that was a direct result of the spill would receive +2 points, while

a project focused on economic development in areas that weren't affected by the spill at all would receive -2 points.

3. **Does the project confer economic benefit by reducing the impact of future natural or man-made environmental disasters?** RESTORE Act funds provide a tremendous opportunity for projects that prepare coastal regions for costly events such as hurricanes and floods, which carry significant economic consequences. A project that thoroughly improves flood drainage or hardens the built environment in a way that will reduce future losses should receive +2 points, while one that does not measurably reduce potential losses from future disasters should receive -2 points.
4. **Does the project reduce future environmental harm or ameliorate current damage?** Projects should mitigate future environmental harm by restoring wetlands and barrier islands or ameliorating current environmental harms. A project that significantly corrects environmental harms or reduces the potential for future environmental harms would receive +2 points, while one with no tangible environmental benefit (or a potentially negative environmental impact) would receive -2 points.
5. **Does the project require future funding once RESTORE Act funds are exhausted?** The RESTORE Act should not create ongoing financial burdens for state

and local governments or develop projects with uncertain future costs. A project whose objective may be completed entirely with RESTORE Act funds would receive +2 points, while one that creates ongoing financial obligations for state or local governments would receive -2 points.

6. **Does the project offer a positive benefit-cost ratio, based on sound accounting and economic projections?** The measure here should be the value created for citizens and taxpayers, not the number of jobs created. A project for which a cost-benefit analysis – conducted in accord with a system like GAAP (Generally Accepted Accounting Principles) or GAS (Governmental Auditing Standards) – shows a positive impact would receive +2 points; one for which no credible economic impact analysis has been completed, or which shows a negative impact, should receive -2 points.
7. **Are there measurable impacts and accountability metrics for the project?** To preserve public faith in the RESTORE Act's implementation process, decisions about project funding, and all expenditures made utilizing RESTORE Act money, should be completely transparent, measurable and accountable. A project with clear metrics for achieving its goals would receive +2 points. One that lacks clear objectives, metrics and plans for the public to track progress and maintain accountability would receive -2 points.

Background

The 2010 Gulf Coast oil spill was the largest offshore spill in U.S. history. For 87 days, the Macondo Prospect gushed oil into the Gulf of Mexico before engineers were able to seal the well successfully. The spill's effects on the Gulf region's economy and environment were significant and continue to be felt. In 2012, two years after the spill, Congress passed and the president signed the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act), which sets aside 80 percent of the civil and administrative fines paid pursuant to the 2010 Deepwater Horizon oil spill, as it is commonly called. The primary purpose of the RESTORE Act is to channel these fines to mitigate the spill's economic and environmental impacts and to increase the Gulf Coast's resilience to future disasters.

The RESTORE Act – if implemented appropriately – will have both economic and environmental benefits. Healthy, clean coasts are critical to the economies of the Gulf Coast states. In Louisiana alone, the commercial saltwater fishing industry alone is worth \$3.1 billion and supports 34,000 jobs. Tourism in Alabama, Mississippi and Louisiana results in more than \$23 billion in annual spending and supports 382,000 jobs. If implemented appropriately, the RESTORE Act can benefit the coastal environment not merely for its own sake, but also for the benefit of hunters, fishers and commerce.