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TEXAS AND THE RESTORE ACT: A PROGRESS REPORT

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INTRODUCTION

As we approach the sixth anniversary of the Deepwater Horizon oil spill, which is coming up on April 20, 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 reported terms of the agreement, BP agreed to pay fines of \$20.8 billion. And under the terms laid out by Congress in 2012's Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act), that money will be divided among the Gulf Coast states according to a set formula. The law directs state and local governments to use the funds for projects that benefit the economies and environments of the affected coastal regions.¹

THE TEXAS EXAMPLE

Even as the amount and timetable of funding is being finalized, Texas already has taken a number of positive steps to ensure its share of the Deepwater Horizon funds are spent in an efficient and transparent manner. The state has developed a draft framework to implement the RESTORE Act within Texas, as well as draft principles and a scoring system to assign priority to certain kinds of projects.

The state also has developed a website, RestoreTheTexas-Coast.org, where parties can submit project proposals under the RESTORE ACT, the Natural Resource Damage Assessment and the Gulf Environmental Benefit Fund. The site also offers the public an opportunity to provide feedback on existing planning documents. The framework builds off the existing Texas Coastal Management Program, which is run by the General Land Office. It focuses on and provides funding for projects related to coastal erosion, wetlands protection, water supply, water quality, dune protection and shoreline protection along the Texas coast.

REPLENISHING WETLANDS

The state also is accepting applications for grant projects. While that process is ongoing, some of the projects selected as priorities are encouraging. A number involve restoration projects for wetlands, marshes and estuaries. For example, the Bahia Grande Wetland System Restoration project aims



Bahia Grande before flooding (left), Bahia Grande after flooding (right) Photos: NOAA

use just under \$1 million to restore freshwater flows to 600 acres of wetlands in the Bahia Grande wetland system. Wetlands in this area have felt extensive impacts from road construction and other modifications. The project would help to restore wetland functionality by rerouting freshwater flow north of Highway 100.²

Coastal wetlands and marshes provide substantial public benefits to the state. By absorbing energy from storm surge and waves, wetlands provide \$23 billion of storm protection annually. Wetlands also help filter pollutants and sediment, lowering the cost of water treatment. Wetland preservation thus can have significant economic and fiscal benefits, separate and apart from any strictly environmental benefits they might provide.

CONCLUSION

Given the vulnerability of the Texas coast to future storms, the prioritization of grants like the Bahia Grande project is encouraging. By encouraging the development of similar projects along the coast, Texas can ensure that its use of RESTORE Act funds has benefits that go far beyond any single project.

ABOUT THE AUTHOR

Josiah Neeley is senior fellow and Texas director for the R Street Institute. He has worked extensively on energy and environmental issues, including federal air quality regulation, climate change, water markets, oil and gas production, renewable energy and electricity.

ENDNOTES

1. Daniel M. Rothschild and Kevin Kane, "Restoring the RESTORE Act's conservative principles," R Street Institute, November 2013. <http://www.rstreet.org/wp-content/uploads/2013/11/rstreet13.pdf>

2. Gulf Coast Ecosystem Restoration Council, "Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act) Initial Funded Priorities List," December 2015. https://www.restor-thegulf.gov/sites/default/files/FPL_FINAL_Dec9Vote_EC_Library_Links.pdf p 39