

AGREEMENT IN PRINCIPLE BETWEEN BP AND THE UNITED STATES AND GULF COAST STATES

Summary

July 2015

**note: all numbers are approximate and have not been finalized*

General apportionment - \$18.732 billion

- \$5.5 billion – Clean Water Act (RESTORE)
- \$8.1 billion – Natural Resource Damages (plus an additional \$232 million to cover damages unknown at this time)
- \$4.9 billion – Gulf States' economic claims
- (There is also an additional \$1 billion set aside to resolve economic claims by local governmental entities.)

Clean Water Act Penalties - \$5.5 billion

- 20% - Oil Spill Liability Trust Fund
- 80% - Gulf Coast Restoration Trust Fund
 - Bucket 1 – 35% split equally among 5 states; distributions controlled by states
 - Bucket 2 – 30% by Plan developed by the Federal RESTORE Council
 - Bucket 3 – 30% among Gulf states by agreed upon formula; distributions developed by states but approved by Federal RESTORE Council
 - Bucket 4 – 2.5% to NOAA
 - Bucket 5 – 2.5% to the Gulf States Centers of Excellence selected by each state

Clean Water Act Penalties – to Alabama (\$599+ million)

- Bucket 1 – \$308 million
- Bucket 2 – \$ TBD: the State may have project(s) approved by the Federal Council
- Bucket 3 – \$269 million
- Bucket 4 – to NOAA
- Bucket 5 – \$22 million to the Center of Excellence (not yet selected by AL Council)

Natural Resource Damages - \$8.1 billion

- \$1 billion – early restoration (projects already in process)
- \$7.1 billion – to be determined by the natural resource Trustee Council

NOTE: The Court Order states that BP will set aside an additional \$232 million for future, unknown natural resource damages.

Natural Resource Damages – to Alabama (\$296 million)

- Early Restoration – \$117 million committed for projects in AL
- Remaining Restoration – \$179 million

Economic Damages – to Alabama (\$1 billion)

- For lost tax revenues to the state as a whole from the DWH Oil Spill
- No set distribution yet

Clean Water Act Penalties
(\$5.5 B Agreement in Principle)



20% to Oil Spill Liability Trust Fund
(\$1.1 B)



*Note: all numbers are approximate and have not been finalized

80% to the Gulf Coast Restoration Trust Fund (\$4.4 B)



\$308 M
(AL portion)

Direct Component
35% equally divided among the five Gulf Coast States for ecosystem restoration, economic development, and tourism protection

Developed by
Alabama Council
and approved by
Treasury



\$1.32 B
(Total for all states)

Council-selected Restoration Component
30% + interest managed by the Gulf Coast Ecosystem Restoration Council for ecosystem restoration under the Comprehensive Plan

Developed by
Federal Council:
vote of 5 States & 1
Federal chair



\$269 M
(AL portion)

Spill Impact Component
30% divided among the five Gulf Coast States according to a formula to implement State Expenditure Plans, which require approval by the Council

Developed by
Alabama Council
and approved by
Federal Council



\$110 M
(Total for all states)

Gulf Coast Ecosystem Restoration Science Program
2.5% + interest provided to NOAA for a monitoring, observation, science, and technology program

Developed by NOAA



\$22 M
(AL portion)

Centers of Excellence Research Grants Program
2.5% + interest allocated to the Gulf Coast States for Centers of Excellence

Developed by
Alabama Council
and approved by
Treasury

Public Comment on Draft Project Selection Process Framework for First Round MIP Development

Comment	Commenter
No detail on how reviews for BAS, economic impact, budget reasonableness, etc., will be performed	Ocean Conservancy, Gulf Restoration Network, National Wildlife Federation
Offer meaningful opportunities for public engagement in project review and selection process	Ocean Conservancy
Use nontraditional public outreach, reach diverse groups of people/More opportunities and clarification of public input & comment	Ocean Conservancy, Conservation Alabama Foundation, Gulf Restoration Network, Alabama Rivers Alliance + 5, National Wildlife Federation, Baykeeper
Council should define how administrator will interpret terms "economic" and "infrastructure"	Ocean Conservancy, Gulf Restoration Network
Commit to projects that will do no environmental harm	Ocean Conservancy, Conservation Alabama Foundation, Gulf Restoration Network
Council should provide criteria used to determine project inclusion in MIP (and offer public comment on criteria)	Ocean Conservancy, National Wildlife Federation
Choose projects that achieve a triple bottom line of strong economy, healthy environment and safe communities	Ocean Conservancy, Conservation Alabama Foundation
Be transparent	Alabama Rivers Alliance + 5
Have public participation to determine focus areas	Alabama Rivers Alliance + 5, Baykeeper
Post detailed project evaluations online	al.com, National Wildlife Federation
Have set timeframes for each step in process/length of entire process	Alabama Rivers Alliance + 5, National Wildlife Federation, Baykeeper
Include description for each step	National Wildlife Federation
Administrator should be clearly identified/entity responsible in each step should be identified	National Wildlife Federation
References to portal should be worded consistently	National Wildlife Federation
Share criteria for each decision point to move project forward	National Wildlife Federation
RFEs should require a majority vote of AGCRC	National Wildlife Federation
Post Final MIP online when it submitted to Treasury	National Wildlife Federation
AGCRC should define overall goals for restoration and restoration funding	Baykeeper
Post "Focus Area" projects	al.com
Include summary of how comments shaped final framework/Require Council response to public input & comments	Gulf Restoration Network, Alabama Rivers Alliance + 5, National Wildlife Federation