



United States Senator

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Policy Brief

Oil Disaster Aid Package for Gulf Coast Businesses and Communities

1. Accelerated Revenue Sharing to Fund Coastal Protection & Restoration:

The Domenici-Landrieu *Gulf of Mexico Energy Security Act of 2006*, dedicates a portion of offshore oil and gas revenues to coastal protection and restoration in the four Gulf energy-producing states. Under the new Landrieu legislation, the *Restoring Ecosystem Sustainability and Protection on the Delta (RESPOND) Act*, funds from new leases off Louisiana's coast would be shared immediately, as opposed to 2017. This funding stream is necessary if Louisiana is ever to be able to defend itself from manmade disasters, like the oil spill, or natural disasters, such as hurricanes. Today's weakened marshes allow oil to penetrate more deeply, killing vegetation and destroying habitat deep within the wetland. As the vegetation dies, the natural eroding forces of the ocean quickly churn the soil into open water, eroding Louisiana's natural levees and leaving our coastal communities in ever greater peril.

2. Strengthening Administration Aid Package: This series of amendments would significantly bolster the \$118 million Obama Administration aid package request, part of which was included in the Senate Emergency Supplemental Appropriations Bill passed by the Committee last week:

a. *Enhanced Claims Assistance & Support* – Authorize \$20 million for the Economic Development Administration to help Gulf Coast residents and businesses file claims with BP, the Oil Spill Liability Trust Fund, private insurance or other programs. Without technical assistance, many coastal residents and business owners may lack the resources to effectively secure recompense for damages.

b. *Marketing Assistance* – Authorize \$15 million to support tourism and seafood marketing to mitigate the damage being done to the Louisiana “brand”.

c. *Disaster Loan Relief* – Provide interest relief up to \$15,000 to the more than 12,000 Gulf Coast businesses still struggling to repay Small Business Administration (SBA) Disaster Loans obtained following Hurricanes Katrina, Rita, Gustav and Ike. SBA would be required to prioritize applications for businesses with 50 employees or less, and businesses impacted by the Gulf oil spill.

d. *New Loan Deferrals* – Authorize SBA to defer payment on any new disaster loans granted as a result of this oil spill, interest free, for one year. These deferrals would act as an advance until claims with BP can be filed and paid.

e. *Expedite CIAP Grants* – Expedite the delivery of Coastal Impact Assistance Program (CIAP) funds that are already appropriated for Louisiana, but are being held up by bureaucratic red tape at the Minerals Management Service. These funds are dedicated to projects to restore coastal wetlands, restore marine and coastal ecosystems, mitigating damages to fish and wildlife and other coastal conservation and mitigation efforts. The four-year program, created by Sen. Landrieu in 2005 Energy Policy Act, was designed to disburse all funds to states by 2010. However, less than 20 percent of the \$1 billion in funds have been distributed to states.

f. *Accelerate Coastal Projects* – Advance construction funding for authorized Louisiana Coastal Area projects in the President's Fiscal Year 2011 budget request. Projects such as river diversions, barrier island restoration and Mississippi River Gulf Outlet ecosystem restoration create a first line of defense to storm surge and oil spills, keep saltwater at bay and protect interior wetlands from tidal influences, rebuild fragmented wetlands, and restore the river's natural land-building functions.

g. *Beneficial Use of Dredge Material* – Ensure the beneficial use of dredge material from authorized Army Corps of Engineers dredging projects in the area funded by the emergency supplemental appropriations bill. This language would provide the Corps with the authority and funding for the beneficial use of dredge material to shore up barrier islands, vulnerable wetlands, and shorelines through the Gulf Coast area affected by the oil spill.