

2015 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 167

BY REPRESENTATIVE GAROFALO

CONGRESS: Memorializes the U.S. Congress and the Louisiana Congressional delegation to work towards equitable revenue sharing for Louisiana mineral and gas production

1 A CONCURRENT RESOLUTION

2 To memorialize the United States Congress and the Louisiana Congressional Delegation to  
3 take such actions as are necessary to rectify the revenue sharing inequities between  
4 coastal and interior energy producing states.

5 WHEREAS, since 1920, interior states have been allowed to keep fifty percent of the  
6 oil, gas, and coal production revenues generated in their states from mineral production on  
7 federal lands within their borders, including royalties, severance taxes, and bonuses; and

8 WHEREAS, coastal states with onshore and offshore oil and gas production face  
9 inequities under the federal energy policies because those coastal states have not been party  
10 to this same level of revenue sharing partnership with the federal government; and

11 WHEREAS, coastal energy producing states have a limited partnership with the  
12 federal government that provides for them to retain very little revenue generated from their  
13 offshore energy production, energy that is produced for use throughout the nation; and

14 WHEREAS, in 2006 congress passed the Gulf of Mexico Energy Security Act  
15 (GOMESA) that will fully go into effect in 2017; an act that calls for a sharing of thirty-  
16 seven and five tenths percent of coastal production revenues with four gulf states with a cap  
17 of \$500 million per year; and

18 WHEREAS, the Fixing America's Inequities with Revenues (FAIR) Act would have  
19 addressed the inequity suffered by coastal oil and gas producing states by accelerating the  
20 implementation of GOMESA as well as by gradually lifting all revenue sharing caps but the  
21 legislation died with the close of the previous congress; and

1           WHEREAS, with the state and its offshore waters taken alone, Louisiana is the ninth  
2 largest producer of oil in the United States in 2014 while including offshore oil from federal  
3 waters, it was the second largest oil producer in the country; and when taken alone Louisiana  
4 was the fourth largest producer of gas in the United States in 2013 while including the Gulf  
5 of Mexico waters, it was the second largest producer in the United States; and

6           WHEREAS, with nineteen operating refineries in the state, Louisiana was second  
7 only to Texas as of January 2014 in both total and operating refinery capacity, accounting  
8 for nearly one-fifth of the nation's total refining capacity; and

9           WHEREAS, Louisiana's contributions to the United States Strategic Petroleum  
10 Reserve with two facilities located in the state consisting of twenty-nine caverns capable of  
11 holding nearly three hundred million barrels of crude oil; and

12           WHEREAS, with three onshore liquified natural gas facilities, more than any other  
13 state in the country, and the Louisiana Offshore Oil Port, the nation's only deepwater oil port,  
14 Louisiana plays an essential role in the movement of natural gas from the United States Gulf  
15 Coast region to markets throughout the country; and

16           WHEREAS, it is apparent that Louisiana plays an essential role in supplying the  
17 nation with energy and it is vital to the security of our nation's energy supply, roles that  
18 should be recognized and compensated at an appropriate revenue sharing level; and

19           WHEREAS, the majority of the oil and gas production from the Gulf of Mexico  
20 enters the United States through coastal Louisiana with all of the infrastructure necessary to  
21 receive and transport such production, infrastructure that has for many decades damaged the  
22 coastal areas of Louisiana, an impact that should be compensated through appropriate  
23 revenue sharing with the federal government; and

24           WHEREAS, because Louisiana is losing more coastal wetlands than any other state  
25 in the country, in 2006 the people of Louisiana overwhelmingly approved a constitutional  
26 amendment dedicating revenues received from Outer Continental Shelf oil and gas activity  
27 to the Coastal Protection and Restoration Fund for the purposes of coastal protection,  
28 including conservation, coastal restoration, hurricane protection, and infrastructure directly  
29 impacted by coastal wetland losses; and

1           WHEREAS, the state of Louisiana has developed a science-based "Comprehensive  
2 Master Plan for a Sustainable Coast" which identifies and prioritizes the most efficient and  
3 effective projects in order to meet the state's critical coastal protection and restoration needs;  
4 and

5           WHEREAS, the Coastal Protection and Restoration Authority is making great  
6 progress implementing the projects in the "Comprehensive Master Plan for a Sustainable  
7 Coast" with all available funding, projects that are essential to the protection of the  
8 infrastructure that is critical to the energy needs of the United States; and

9           WHEREAS, in order to properly compensate the coastal states for the infrastructure  
10 demands that result from production of energy and fuels that heat and cool the nation's  
11 homes, offices, and businesses and fuel the nation's transportation needs revenue sharing for  
12 coastal states needs to be at the same rate as interior states that produce oil, gas, and coal.

13           THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby  
14 memorialize the United States Congress to take such actions as are necessary to treat mineral  
15 and gas production in the Gulf Coastal states in a manner that is at least equal to onshore oil,  
16 gas, and coal production in interior states for revenue purposes; and to rectify the revenue  
17 sharing inequities between coastal and interior energy producing states in order to address  
18 the nationally significant crisis of wetland loss in the state of Louisiana.

19           BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
20 presiding officers of the Senate and the House of Representatives of the Congress of the  
21 United States of America and to each member of the Louisiana congressional delegation.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Garofalo

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