



February 4th, 2016

The Honorable Bill Cassidy
703 Hart Senate Office Building
Washington, DC 20510

Dear Senator Cassidy:

Oxfam America has worked for many years to promote greater economic, social and environmental resilience in poor and vulnerable communities across the Gulf Coast states of Alabama, Louisiana, Mississippi and Texas and we believe that passage of Amdt 3192 to the Energy Policy Modernization Act will provide new resources to address the glaring inequities facing these communities. America's Gulf Coast is home to some of our nation's highest rates of poverty and greatest risks of natural hazards like sea level rise, hurricanes, flooding and coastal land loss. Oxfam recognizes and appreciates your leadership on this bipartisan amendment to promote more equitable sharing of offshore energy revenues and support new investments in the resilience of our coastal communities.

Across the Gulf of Mexico, communities live on the front-lines of our nation's offshore oil and gas production, bearing all the risk in the event of a disaster, as we saw tragically after the 2010 Deepwater Horizon oil spill. Still these communities receive very little of the governmental revenues raised by offshore energy production in the Outer Continental Shelf. Oxfam works around the world to ensure that communities impacted by natural resource extraction are aware of the level of revenue collected by government from extraction and that those communities directly benefit from those revenues. Certainly our Gulf Coast communities, which continue to provide so much of our nation's energy resources, deserve no less. Still in fiscal year 2014, the federal government received \$4.6 billion in royalties from crude oil production in the Gulf of Mexico, while the Gulf states only received \$3.4 million or .07 percent of these revenues. This stands in stark contrast to US states that produce energy onshore on federal lands, which receive 50 percent of their royalties. Currently, due to annual caps that limit sharing under the 2007 Gulf of Mexico Energy Security Act, the four producing Gulf Coast states will not receive the full 37.5 percent of revenue sharing promised under the law. This amendment will help to address this inequity by raising these caps.

Unlike other recent proposals, it is important to note this amendment does not support the expansion of offshore drilling by opening additional areas for production. It simply creates a more

equitable framework to ensure those places where offshore energy production takes place in the Outer Continental Shelf, those impacted states, local governments and tribes receive a fair share of the production revenues and invest in their resilience in the face of growing coastal threats.

In particular for Louisiana's coastal communities this amendment will provide critical millions over the next decades towards the state's plan to restore coastal wetlands and barrier islands, improve hurricane protection and help families adapt through home elevations, flood proofing and voluntary relocations. Under a state constitutional amendment, Louisiana is required to invest these dollars into its state of the art Coastal Protection and Restoration Plan. Together these investments are critical for the survival of coastal Louisiana and add up to tens of billions of dollars' worth of risk reduction for homeowners, businesses and taxpayers in the face of future flooding. Additionally, investments like those proposed in the amendment will help Gulf Coast businesses create local job opportunities in projects reducing vulnerabilities to future coastal disasters, helping to further enhance the economic resilience of coastal communities.

We hope your Senate colleagues will join you in support of this important effort.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Buchanan', with a long horizontal flourish extending to the right.

Jeffrey Buchanan
Senior Domestic Policy Advisor
Oxfam America