



Policy Resolution 07.2020

Adopted on September 29, 2020

Supporting Balanced Energy Solutions and Revenue Sharing for States by Ensuring Gulf of Mexico Access

Sponsor

Representative Brent Powell, Mississippi

WHEREAS, the offshore oil and gas industry supported roughly 289,000 jobs across the states of Alabama, Louisiana, Mississippi, and Texas; and

WHEREAS, the Gulf of Mexico provides nearly 20 percent of the Nation's crude oil production and contains nearly 45 billion barrels and 130 trillion cubic feet of undiscovered oil and natural gas in currently open areas for production; and

WHEREAS, the offshore oil and gas industry in the Gulf of Mexico provides a \$28.6 billion economic stimulus to the economy of the United States and brings critical revenue to help support communities and states in their financial recovery efforts due to COVID-19; and

WHEREAS, the Gulf of Mexico Energy Security Act (GOMESA) of 2006 compromise legislation created revenue sharing for the first-time ever for Gulf States for offshore oil and natural gas production and helped secure greater domestic energy independence; and

WHEREAS, GOMESA disbursed \$353 million in much-needed revenue for Gulf States in 2019; and

WHEREAS, offshore oil and gas production provided over \$1 billion to the Land and Water Conservation Fund for environmental protection and restoration efforts across the country; and

WHEREAS, the President of the United States, Donald J. Trump, signed the Great American Outdoors Act on August 4, 2020, which will use revenue from energy development to provide up to \$1.9 billion per year to fund our national parks, forests, wildlife refuges, recreation areas, and Tribal schools. In addition, it also will use royalties from offshore oil and natural gas to permanently fund the Land and Water Conservation Fund to the tune of \$900 million per year to invest in conservation efforts; and

WHEREAS, the U.S. offshore oil and gas industry is regulated under stringent, world-leading standards and coincides with one of America’s most vibrant and successful fisheries employing over 150,000 and contributing over \$7 billion to the economies of Gulf States; and

WHEREAS, one economic study found that expanding access in the Gulf of Mexico could provide existing producing states over \$7 billion per year in additional state Gross Domestic Product (GDP) and more than 96,000 jobs; and

WHEREAS, any future restrictions on exploration and development in federal waters in the Gulf of Mexico would have a significant and catastrophic economic impact on the Gulf region and the entire United States, especially at a time when all 50 states and the federal government are attempting to recoup lost economic activity and revenue associated with the COVID-19 pandemic.

THEREFORE, BE IT RESOLVED, that the Southern States Energy Board (SSEB) supports continued energy production activities in the Central and Western Gulf of Mexico, and it encourages Congress to expeditiously introduce and pass legislation instructing the Department of Interior to protect future energy development in the Gulf of Mexico; and

BE IT FURTHER RESOLVED, that SSEB supports protecting the workforce, blue-collar jobs, offshore service and energy supply chain companies, academic institutions, first-responders, and coastal communities that rely on production from the Gulf of Mexico; and

BE IT FURTHER RESOLVED, that SSEB supports revenue sharing for all producing Gulf States, which can be utilized to support environmental and habitat restoration efforts, provide much needed economic development, aid in COVID-19 economic recovery, and bolster revenues for the U.S. Treasury; and

BE IT FURTHER RESOLVED, that copies of this resolution will be distributed to the leadership of the United States Senate and House of Representatives, the Department of Interior, and other applicable federal agencies.

