

## American Energy and Conservation Act of 2016 Fact Sheet

- Introduced by US Senator Bill Cassidy, MD (R-LA), Energy and Natural Resources Chairman Lisa Murkowski (R-AK), Sen. Tim Scott (R-SC), Sen. Dan Sullivan (R-AK), Sen. Thom Tillis (R-NC) and Sen. David Vitter (R-LA).
- Provides for more equitable revenue sharing for states involved in existing, new or future energy production from both onshore and offshore leasing areas.
- Provides parity for states hosting offshore wind energy production projects.
- Streamlines the environmental review of solar, wind, and geothermal projects on public lands and establishes a revenue sharing system that aids local communities that are home to potential projects.
- Makes investments in conservation and coastal restoration efforts.
- Ensures America continues to have a resilient domestic energy supply and access to goods and services.

### Protecting American Energy Security

- For decades, energy activities in the Gulf of Mexico have produced billions of barrels of oil and trillions of cubic feet of natural gas for American consumers.
- Offshore oil production in the Gulf accounts for close to 20% of all US crude oil production.
- More than 45% of total petroleum refining capacity in the US is located along the Gulf Coast.
- 51% of total US natural gas processing plant capacity is located along the Gulf.
- Gulf State's waterways support trade throughout the country. Farm crops produced throughout the upper Midwest pass through the lower Mississippi on their way to international markets.
- The Gulf States provide the docks, roads, railways, refineries and other infrastructure to support energy production and reliable trade.
- Responsible revenue sharing allows states hosting energy production to mitigate the historic and prospective infrastructure demands of energy production and allows states to make strategic investments, ensuring for future generations the resiliency of this infrastructure and vital natural resources.

### Fairness For Onshore and Offshore Energy Producers

- All energy producing states deserve to share the revenue derived from energy developed both onshore and offshore.
- Royalties to states from energy produced offshore is a fraction of what states that produce energy onshore receive.
- For example, in fiscal year 2014, the federal government received \$4.6 billion in royalties from energy production in the Gulf of Mexico. The coastal states who provide the energy infrastructure received \$3.4 million, 0.07% of the royalties. In comparison, states who produce energy onshore gets 50% of the royalties.

- This legislation protects onshore energy producing states' royalties and increases offshore states' share.

### **Bipartisan Support**

- Existing revenue sharing law passed the US Senate in 2006 with 71 votes.
- It is supported by organizations including: American Petroleum Institute, National Association of Manufactures, American Chemistry Council, National Ocean Industries Association, Independent Petroleum Association of America, International Association of Drilling Contractors, International Association of Geophysical Contractors, Petroleum Equipment & Services Association, Alaska Oil & Gas Association, Congressional Sportsman Foundation, U.S. Chamber of Commerce, Oxfam, Western Energy Alliance and Western Governors Association.
- "These [revenue sharing] provisions would provide much-needed funding for states for priorities like infrastructure, public safety, and education." - *Chamber of Commerce Executive Vice President for Government Affairs on Cassidy's Revenue Sharing Amendment to the Energy bill.*
- "America's Gulf Coast is home to some of our nation's highest rates of poverty, greatest risk of natural disasters like sea level rise, hurricanes, flooding, and coastal land loss. Passage of Amendment 3129 brings more equity and revenue-sharing, will provide new resources to address the glaring inequities facing these communities." - *Oxfam America*
- "[We are] disappointed by the budget's proposed version of critically needed and currently dedicated funding for coastal Louisiana and the Mississippi river delta. This proposed budget undercuts the administration's previous commitments to restore critical economic infrastructure and ecosystems in the Mississippi River delta, where we are losing 16 square miles of critical wetlands every year, a preventable coastal erosion crisis." - *The Environmental Defense Fund, the National Wildlife Federation, the National Audubon Society and the Lake Pontchartrain Basin Foundation in regards to the president's budget proposal to repeal existing revenue sharing law.*