

Coastal Impact Assistance Program

Chapter 2: Eligible Producing States and Coastal Political Subdivisions

Producing State –

has a coastal seaward boundary within 200 nautical miles of the geographic center of a leased tract, not including any State with a majority of its coastline subject to leasing moratoria

Coastal Political Subdivision –

the local political jurisdiction immediately below the level of State government, any part of which is

(a) within the coastal zone (as defined in Section 304 of the CZMA of 1972) as of 8/8/05, and

(b) not more than 200 nautical miles from the geographic center of any leased tract

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Chapter 2: Eligible Producing States and Coastal Political Subdivisions – Comments

Alaska

- The draft guidelines identify only two eligible CPS. However, there are eight eligible coastal political subdivisions in the State of Alaska. They include the North Slope Borough, Northwest Arctic Borough, Municipality of Anchorage, Bristol Bay Borough, Kenai Peninsula Borough, Kodiak Island Borough, Lake and Peninsula Borough, and Matanuska-Susitna Borough. The State recommends that MMS revise Appendix B to incorporate these municipalities as eligible coastal political subdivisions.

CIAP Eligible Producing States and Coastal Political Subdivisions

Alabama Counties	Alaska Boroughs	California Counties	Louisiana Parishes	Mississippi Counties	Texas Counties
Baldwin	Anchorage	Alameda	Assumption	Hancock	Aransas
Mobile	Bristol Bay Borough	Contra Costa	Calcasieu	Harrison	Brazoria
	Kenai Peninsula	Los Angeles	Cameron	Jackson	Calhoun
	Kodiak Island	Marin	Iberia		Cameron
	Lake & Peninsula	Monterey	Jefferson		Chambers
	Matanuska-Susitna	Napa	Lafourche		Galveston
	North Slope	Orange	Livingston		Harris
	Northwest Arctic	San Diego	Orleans		Jackson
		San Francisco	Plaquemines		Jefferson
		San Luis Obispo	St. Bernard		Kenedy
		San Mateo	St. Charles		Kleberg
		Santa Barbara	St. James		Matagorda
		Santa Clara	St. John the Baptist		Nueces
		Santa Cruz	St. Martin		Orange
		Solano	St. Mary		Refugio
		Sonoma	St. Tammany		San Patricio
		Ventura	Tangipahoa		Victoria
			Terrebonne		Willacy
			Vermilion		

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Chapter 3: Coastal Impact Assistance Program Allocations

Funding allocations to States and CPS shall be determined using the formulas mandated by the Act (Section 31(b))

The amount allocated for FY2007 and FY2008 shall be determined using FY2006 Qualified OCS Revenues (QOCSR), and the amount allocated for FY2009 and FY2010 shall be determined using FY2008 QOCSR

The amount allocated to a producing State shall be at least one percent of the amount available for disbursement each fiscal year

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Chapter 3: Coastal Impact Assistance Program Allocations – Definition of Revenues

- Qualified Outer Continental Shelf Revenues (QOCSR)
 - Includes amounts from leased tracts subject to a lease for the purpose of drilling for, developing, and producing oil or natural gas resources, the geographic centers of which lie within 200 nautical miles of the coastline of any producing State
 - Includes all revenues associated with these leased tracts, received by Minerals Revenue Management and disbursed to the U.S. Treasury during FY06 and FY08
 - Does not include revenues from leased tracts within specific distances of coastal State boundaries that are already shared with producing States (43 U.S.C. 1337(8(g)))

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Chapter 3: Coastal Impact Assistance Program Allocations – State Allocation Formula

- The amount allocated to each producing State is based on the ratio that the amount of QOCSR generated off the coastline of the producing State bears to the amount of QOCSR generated off the coastline of all producing States
- Gulf of Mexico region: When more than one producing State is within 200 nautical miles of a leased tract, the amount allocated to each State for the leased tract shall be inversely proportional to the distance between
 - The nearest point on the coastline of the producing State, and
 - The geographic center of the leased tract

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Chapter 3: Coastal Impact Assistance Program Allocations – CPS Allocation Formula

- 35% of the amount allocated to each producing State shall be paid to the CPS within that State
 - 25% of the amount shall be allocated to each CPS in the proportion that the population of the CPS bears to the total population of all CPS within the State (US Census 2000)
 - 25% of the amount shall be allocated to each CPS in the proportion that the coastline length of the CPS bears to the total coastline length of all CPS within the State (SLA baseline)
 - 50% of the amount shall be allocated in amounts that are inversely proportional to the respective distances between the points in each CPS that are nearest to the geographic center of each leased tract
 - Exceptions for the States of Alaska and Louisiana are detailed in 384(b)(4)(C) and 384(b)(4)(D)

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Chapter 3: Coastal Impact Assistance Program Allocations – Comments

Alabama

- It has been stated that individual program funding amounts will not be available until April 2007. While we understand that these funding amounts are based on revenues accruing in this current year, we are struggling with the concept of putting a plan together without some idea of the funding that will be available. As such we recommend that program funding estimates be provided to each state and coastal political subdivision for purposes of plan development. Estimates could be derived from utilizing FY2005 revenues, or from utilizing revenue earned in the 1st half of the FY2006 and projecting those numbers out to a full year. We understand, of course, that any estimate provided may be substantially different from actual funding amounts that a state or coastal political subdivision may receive.

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Chapter 3: Coastal Impact Assistance Program Allocations – Comments

Alaska

- Section 384 of the Energy Policy Act of 2005: Coastal Impact Assistance Program, within Section 31(b)(4)(B)(ii)(I) and (II), page 12: the phrase “the number of miles of coastline” is used to determine a portion of the allocation formula for payments to the coastal political subdivisions of the State. While Section 31(a)(4) provides the definition to mean “... the term ‘coast line’ in section 2 of the Submerged Lands Act(43 U.S.C. 1301)”, it is not clear how the coastline will be measured. Certain measuring schemes or assumptions can result in drastically different calculations. The system or procedure used to calculate the coastline mileage for the coastal political subdivisions should take advantage of the recent advances in measurement systems and schemes, and should provide an accurate and objective measurement. The State would like to participate in the discussion and selection of the coastline mileage measurement system.

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Chapter 3: Coastal Impact Assistance Program Allocations – Comments

California

- We would appreciate publication of state and local political subdivision allocations as early as feasible. What opportunities may we have to review MMS' methods to calculate the allocations to the states and political subdivisions? It would be preferable that we would have this opportunity prior to any formal and final announcement of the allocations.

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Chapter 3: Coastal Impact Assistance Program Allocations – Comments

Mississippi

- **Appendix A: Sec 31 (4) Payments to CPS (B) Formula (iii) 50%:**
When will this be determined by the Secretary and relayed to our agency?