

# **Coastal Impact Assistance Program Allocation Formula Development Details**

**Thomas W. Farndon and Karen L. Osborne  
MMS Offshore Minerals Management  
Economics Division  
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# Coastal Impact Assistance Program

- Authorizes funds to be distributed to Outer Continental Shelf (OCS) oil and gas producing states to mitigate the impacts of OCS oil and gas activities
- Authorizes \$1 billion over four years to be shared among six states and eligible coastal political subdivisions based on allocation formulas prescribed in the Act

# State Share Estimated Allocation Ranges

***Note: the ranges provided are estimates based on FY05 data. Actual allocations will be based on FY06 data, and may fall outside of the ranges indicated.***

State	Estimated Range
Alabama	\$20.4 – \$21.3
Alaska	\$2.4 – \$3.1
California	\$7.0 – \$12.2
Louisiana	\$113.4 – \$130.7
Mississippi	\$23.5 – \$27.1
Texas	\$53.0 – \$70.1

# Eligible Producing States

Producing States have 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 unless production was occurring on January 1, 2005, from a lease within 10 nautical miles of the coastline of that State.

# Eligible Coastal Political Subdivisions

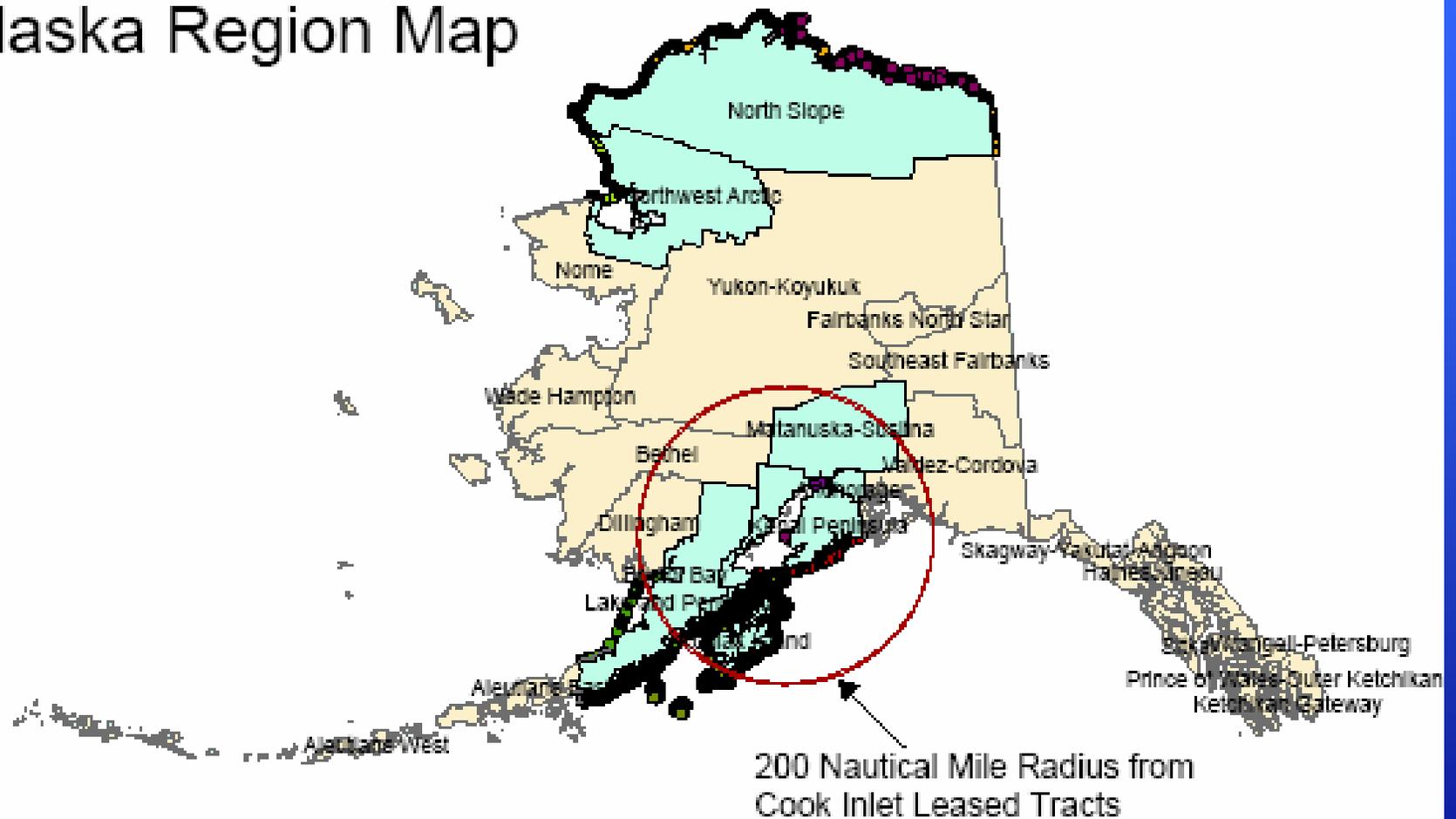
Coastal Political Subdivisions are the local political jurisdiction immediately below the level of State government, any part of which are

- (a) within the coastal zone (as defined in Section 304 of the CZMA of 1972) as of 8 August 2005, and
- (b) not more than 200 nautical miles from the geographic center of any leased tract

# Eligible 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		

# Alaska Region Map

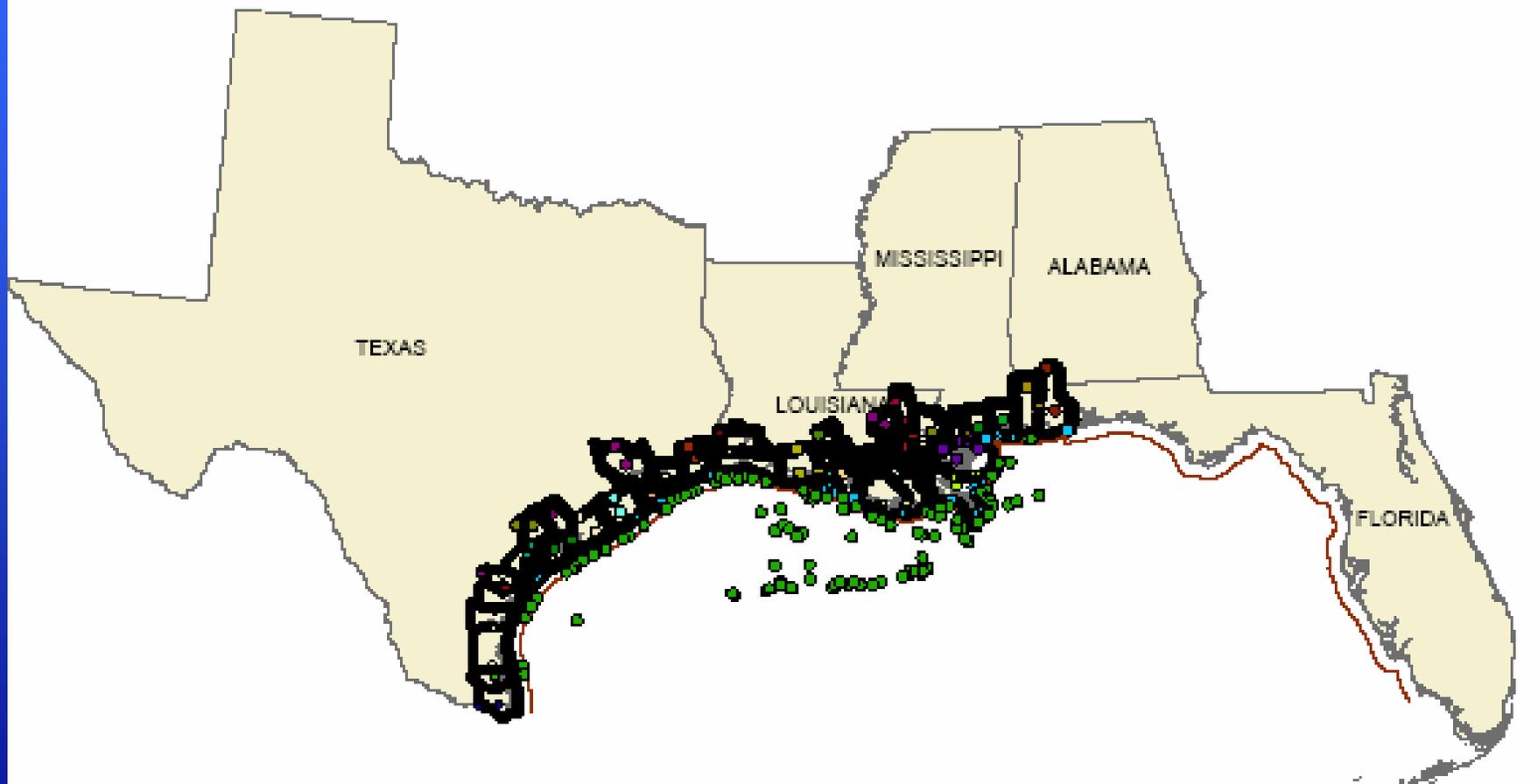


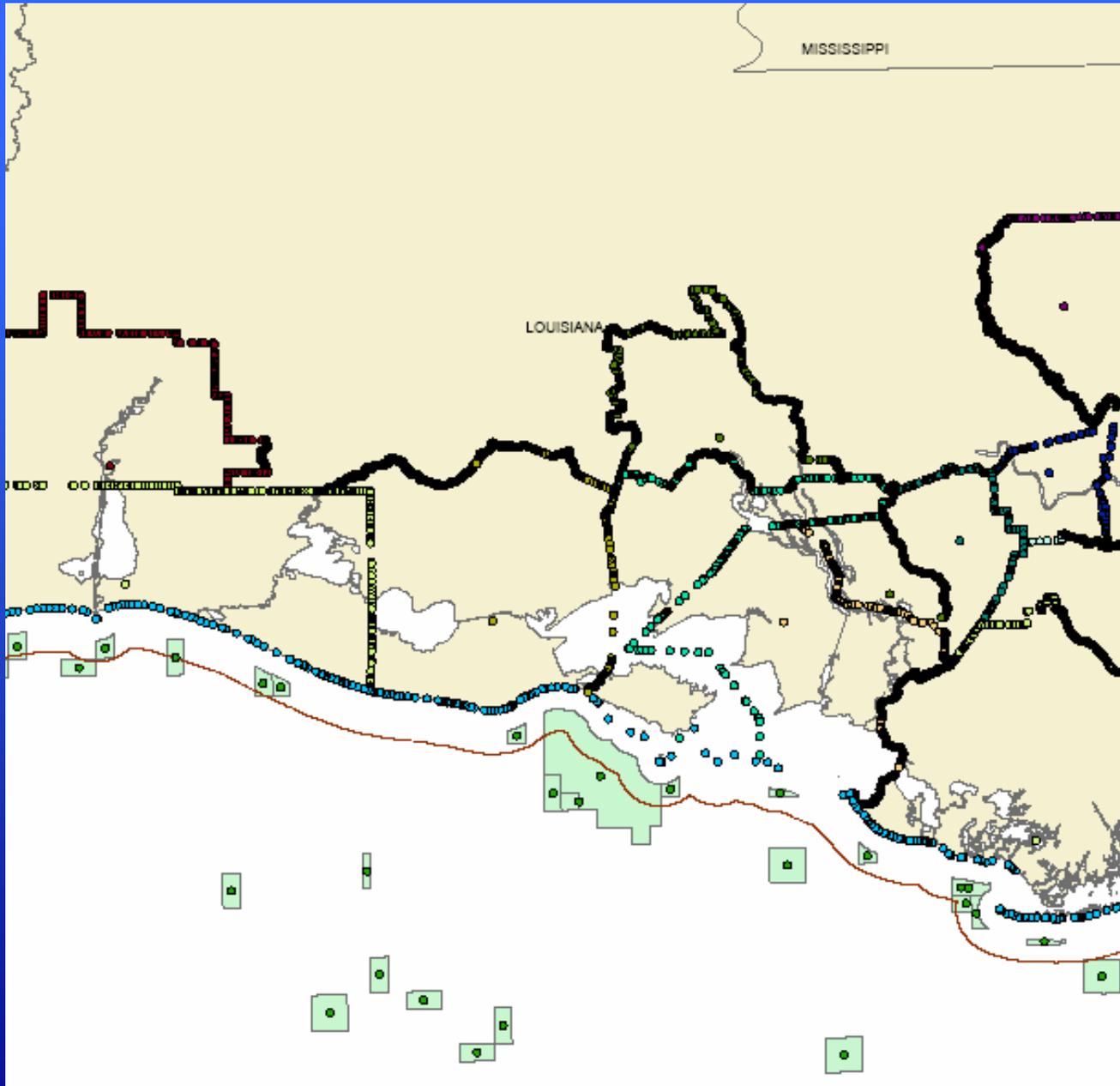
# Pacific Region Map





# Gulf of Mexico Region Map





# Disbursement Schedule

- \$250,000,000 for each of fiscal years 2007 through 2010
  - FY2006 Qualified Outer Continental Shelf Revenues (QOCSR) will be used to determine FY2007 and FY2008 disbursements
  - FY2008 QOCSR will be used to determine FY2009 and FY2010 disbursements

# 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 bonus bids, rents, royalties, net profit share payments, and related late-payment interest associated with these leased tracts, received by MMS and disbursed to the U.S. Treasury during FY2006 and FY2008
  - 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)))

# State Allocation Formula

- The amount of the total \$250MM per year benefit 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
- The amount allocated to a producing State shall be at least one percent of the amount available for disbursement each fiscal year

# State Allocation Formula (cont'd)

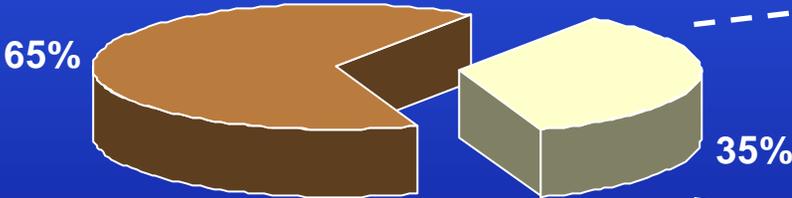
- When more than one producing State is within 200 nautical miles of a leased tract (GOM region), the amount allocated to each State for the leased tract shall be inversely proportional to the distance between
  - The nearest point on the coastline of the producing State, and
  - The geographic center of the leased tract

# Inverse Distance Calculation Example

- QOCSR from leased tract = \$1MM
- Leased tract 100 nautical miles from TX, 50NM from LA, and >200NM from MS, AL, CA, & AK
- TX share =  $(1/100 \div (1/100 + 1/50)) \times \$1\text{MM} = \$333,333.33$
- LA share =  $(1/50 \div (1/100 + 1/50)) \times \$1\text{MM} = \$666,666.67$
- MS, AL, CA, & AK share = \$0

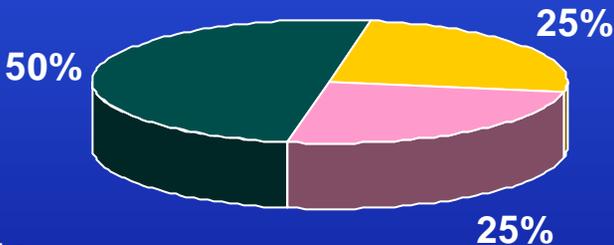
# CPS Allocation Formula

## State Fund Allocation



■ State ■ CPS

## CPS Formula Elements



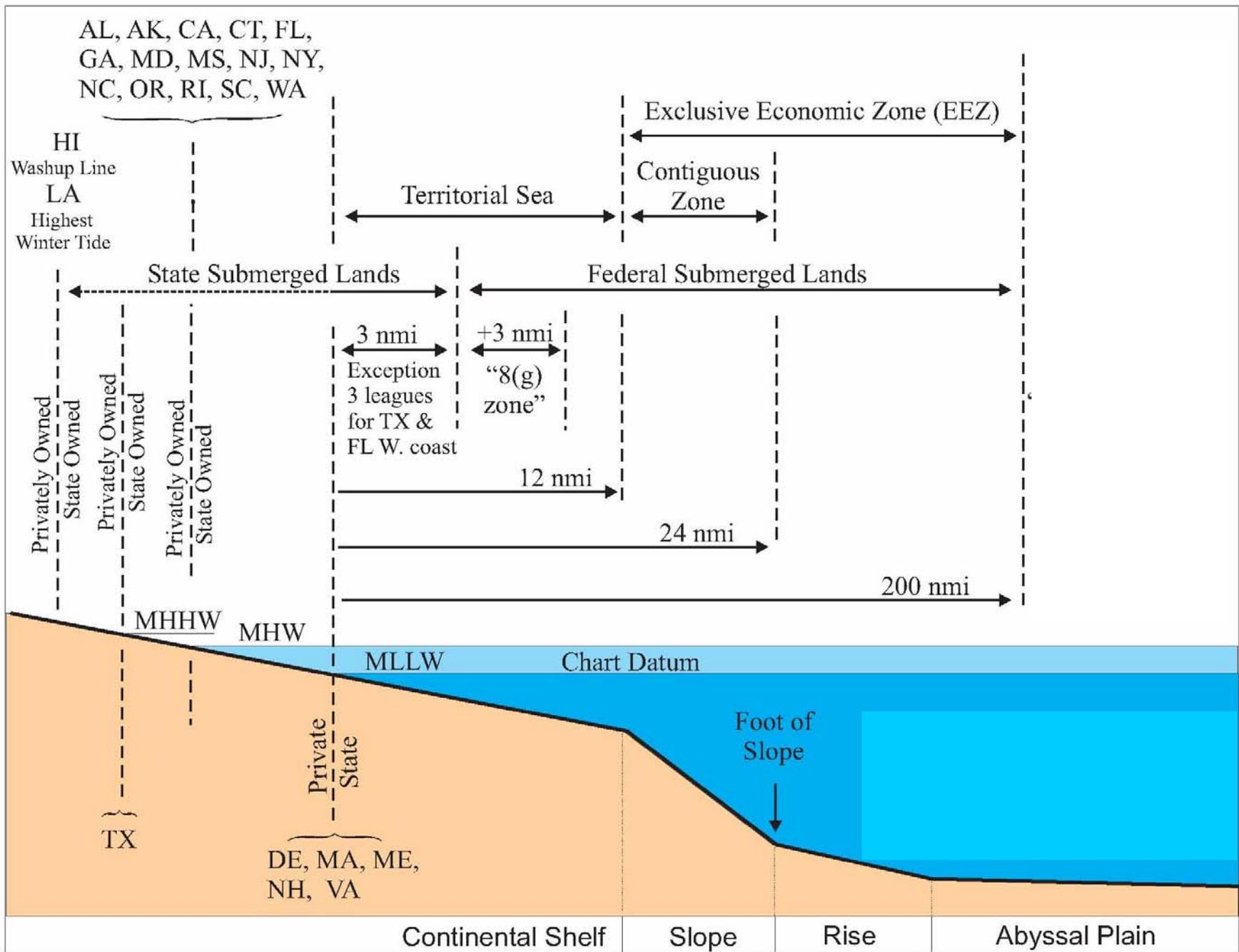
■ Population ■ Coastline ■ Revenues

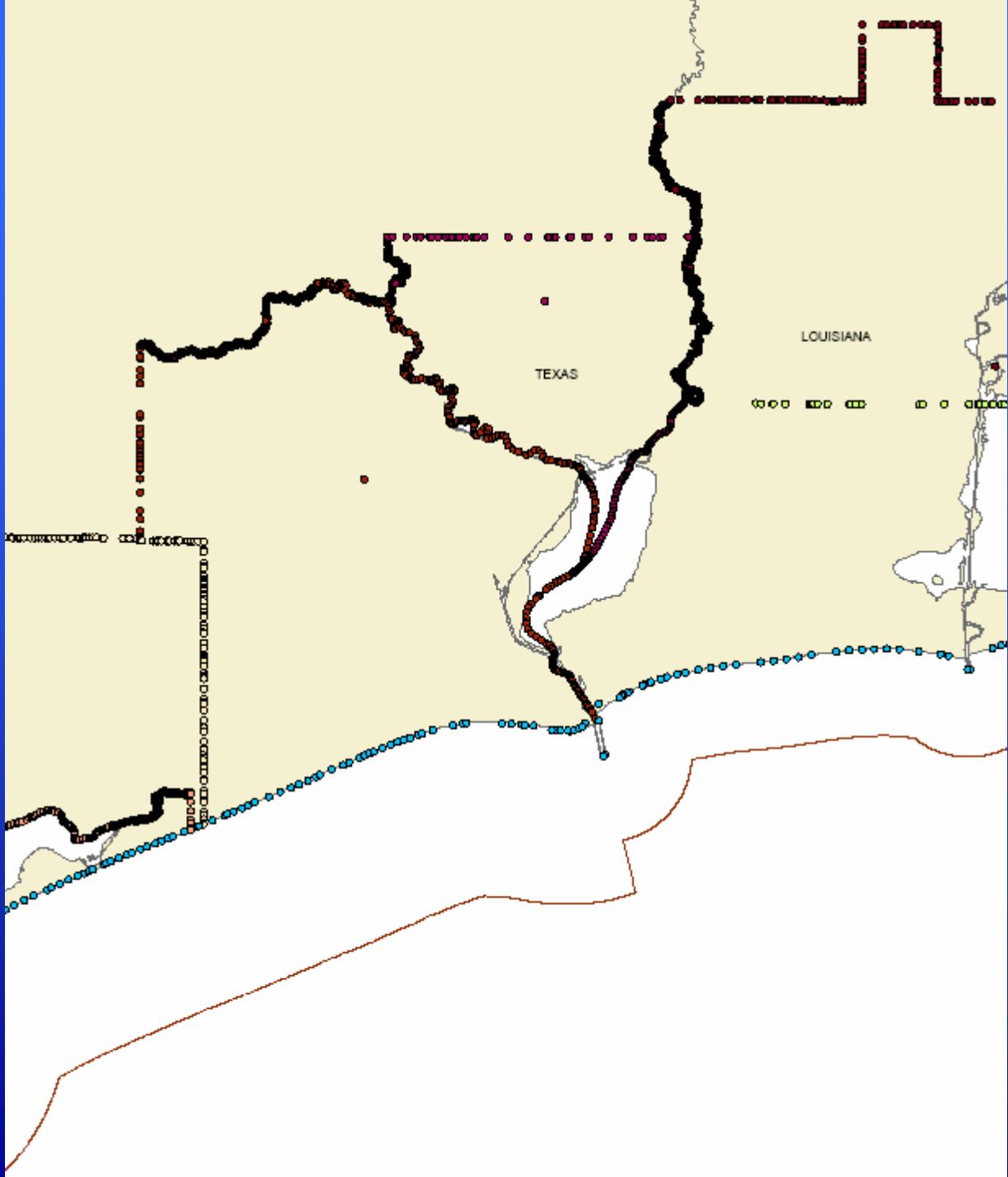
# CPS Allocation Formula – QOCSR

- 50% of the funds allocated to the CPS within each State are allocated based on the ratio that the amount of QOCSR generated off the CPS bears to the amount of QOCSR generated off all CPSs in the State.
- Similar to the State formula, the QOCSR is credited in inverse proportion to the distance between:
  - The nearest point of the CPS, and
  - The geographic center of the leased tract

# CPS Allocation Formula – Population

- Population was extracted from the U.S. Census Bureau 2000 Census website, <http://www.census.gov/main/www/cen2000.html>
- 25% of the funds allocated to the CPS within each State are allocated in the proportion that (a) the coastal population of the CPS bears to (b) the coastal population of all CPS within the Producing State

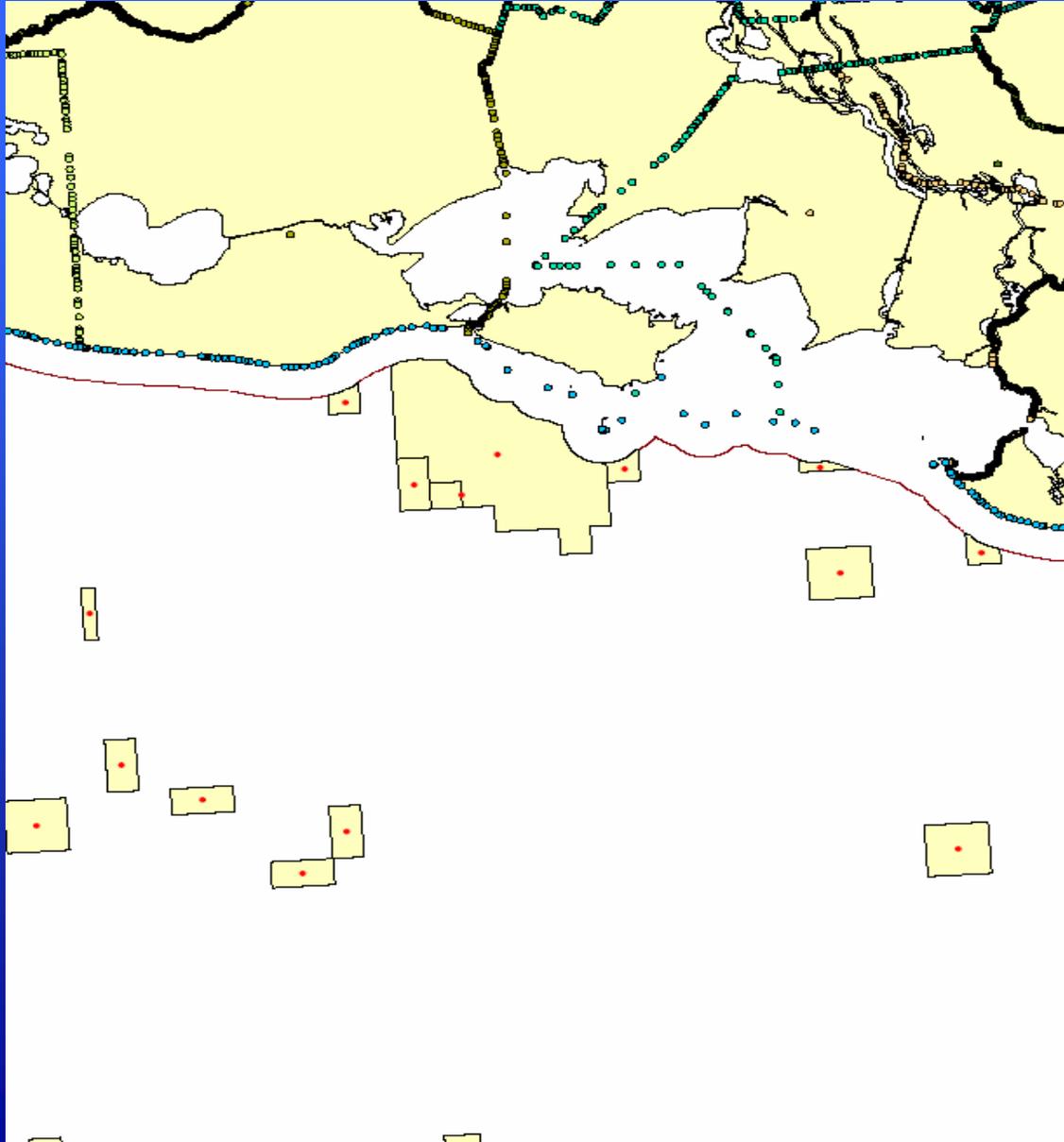




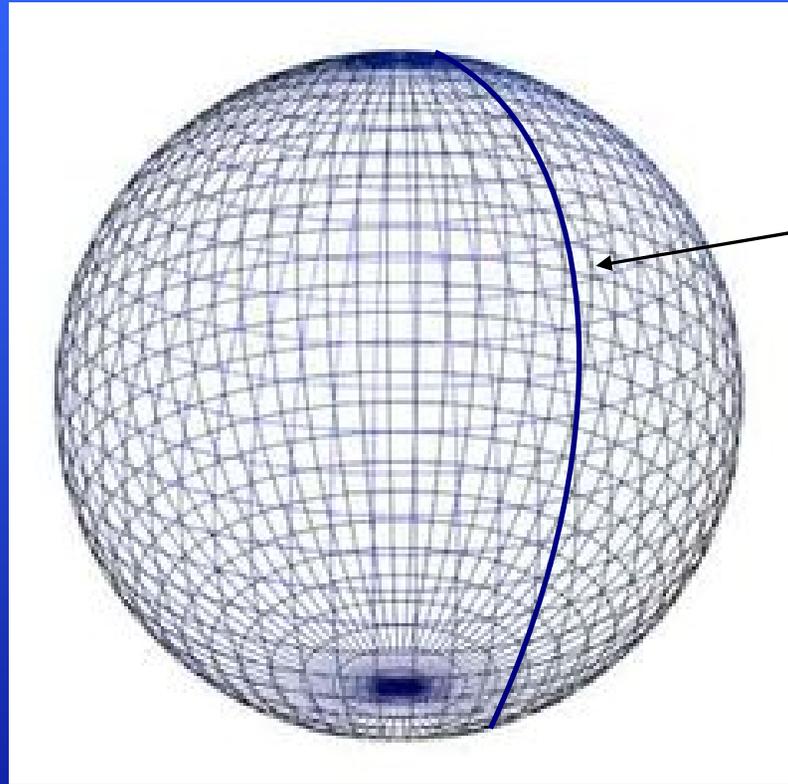
# CPS Allocation Formula – Coastline Length

- 25% of the funds allocated to the CPS within each State are allocated in the proportion that (a) the number of miles of coastline of the CPS bears to (b) the total number of miles of all CPS within the Producing State
  - Exception for the State of Louisiana – the coastline for CPS in Louisiana without a coastline shall be considered to be  $\frac{1}{3}$  the average length of the coastline of all CPS with a coastline in Louisiana

# Geographic Center of Leased Tracts



# Great Circle Distance



*Great Circle Arc*

# Inverse Proportional Distance Calculations

- Necessary when a leased tract with QOCSR is closer than 200 nautical miles to more than one Producing State or more than one CPS within a Producing State
- The GOM Region has 8,000 leased tracts with QOCSR, most are within 200 nautical miles of more than 1 of the Region's 4 Producing States and 42 CPS
- The Pacific Region has fewer than 100 leased tracts with QOCSR, California is the only State within 200 nautical miles, California has 18 CPS
- Alaska has a special rule exempting it from using the inverse distance formula to determine the CPS allocations. Instead, only the 2 closest CPS share equally

# Calculation of State Benefits Using FY2005 QOCSR

State	Qualified OCS Revenue Input	Revisions to Qualified OCS Revenues for Minimum Share States			\$250,000,000.00	
		Additional Minimum Share Calculations		Revised Share	State's Fractional Share	State Allocation
Alaska	\$ 42,131,429.94	\$ 15,753,739.72	\$ -	\$ 57,885,169.66	1.00%	\$ 2,500,000.00
California	\$ 168,212,246.95	\$ -	\$ 168,212,246.95	\$ 167,751,092.38	2.90%	\$ 7,244,994.42
Texas	\$ 1,289,263,156.87	\$ -	\$ 1,289,263,156.87	\$1,285,728,636.59	22.21%	\$ 55,529,276.50
Louisiana	\$ 3,129,357,688.67	\$ -	\$ 3,129,357,688.67	\$3,120,778,541.62	53.91%	\$134,783,164.67
Mississippi	\$ 648,770,068.90	\$ -	\$ 648,770,068.90	\$ 646,991,463.08	11.18%	\$ 27,942,885.32
Alabama	\$ 510,782,374.61	\$ -	\$ 510,782,374.61	\$ 509,382,062.62	8.80%	\$ 21,999,679.09
<b>Total</b>	<b>\$ 5,788,516,965.94</b>	<b>\$ 15,753,739.72</b>	<b>\$ 5,746,385,536.00</b>	<b>\$5,788,516,965.94</b>	<b>100%</b>	<b>\$250,000,000.00</b>

# Calculation of Population Share of CPS Benefits

Total Louisiana Share of \$250,000,000 = \$ 134,783,164.67			
Total CPS Population Share = 25% of 35% of Total State Share			
Louisiana Parish	Total CPS Population Share:		\$ 11,793,526.91
	2000 Census Population	Share	CPS Population Share
Assumption	23,388	1.07743%	\$ 127,067.24
Calcasieu	183,577	8.45698%	\$ 997,375.65
Cameron	9,991	0.46026%	\$ 54,281.20
Iberia	73,266	3.37520%	\$ 398,054.90
Jefferson	455,466	20.98228%	\$ 2,474,551.28
Lafourche	89,974	4.14490%	\$ 488,829.63
Livingston	91,814	4.22966%	\$ 498,826.37
Orleans	484,674	22.32783%	\$ 2,633,238.63
Plaquemines	26,757	1.23263%	\$ 145,371.05
St. Bernard	67,229	3.09709%	\$ 365,255.82
St. Charles	48,072	2.21457%	\$ 261,175.65
St. James	21,216	0.97737%	\$ 115,266.74
St. John the Baptist	43,044	1.98294%	\$ 233,858.48
St. Martin	48,583	2.23811%	\$ 263,951.92
St. Mary	53,500	2.46462%	\$ 290,666.03
St. Tammany	191,268	8.81128%	\$ 1,039,160.93
Tangipoha	100,588	4.63386%	\$ 546,495.60
Terrebonne	104,503	4.81422%	\$ 567,765.83
Vermillion	53,807	2.47877%	\$ 292,333.96
<b>Total</b>	<b>2,170,717</b>	<b>100%</b>	<b>\$ 11,793,526.91</b>

# Calculation of Coastline Length Share of CPS Benefits

Total Louisiana Share of \$250,000,000 = \$ 134,783,164.67				
Total CPS Coastline Share = 25% of 35% of Total State Share				
Louisiana Parish	Total CPS Coastline Share:			\$ 11,793,526.91
	Coastline Length	Proxy Length	Share	CPS Coastline Share
Assumption	0	26,612	2.70270%	\$ 318,743.97
Calcasieu	0	26,612	2.70270%	\$ 318,743.97
Cameron	131,341	0	13.33901%	\$ 1,573,139.23
Iberia	54,791	0	5.56462%	\$ 656,265.16
Jefferson	15,058	0	1.52930%	\$ 180,357.90
Lafourche	35,657	0	3.62129%	\$ 427,078.10
Livingston	0	26,612	2.70270%	\$ 318,743.97
Orleans	0	26,612	2.70270%	\$ 318,743.97
Plaquemines	227,650	0	23.12012%	\$ 2,726,677.49
St. Bernard	60,703	0	6.16501%	\$ 727,072.32
St. Charles	0	26,612	2.70270%	\$ 318,743.97
St. James	0	26,612	2.70270%	\$ 318,743.97
St. John the Baptist	0	26,612	2.70270%	\$ 318,743.97
St. Martin	0	26,612	2.70270%	\$ 318,743.97
St. Mary	28,069	0	2.85067%	\$ 336,194.89
St. Tammany	0	26,612	2.70270%	\$ 318,743.97
Tangipoha	0	26,612	2.70270%	\$ 318,743.97
Terrebonne	106,993	0	10.86619%	\$ 1,281,507.55
Vermillion	58,259	0	5.91676%	\$ 697,794.56
<b>Total</b>	<b>718,520</b>	<b>266,119</b>	<b>100%</b>	<b>\$ 11,793,526.91</b>

# Calculation of QOCSR Share of CPS Benefits

Total Louisiana Share of \$250,000,000 = \$ 134,783,164.67			
Total CPS QOCSR Share = 50% of 35% of Total State Share			
Louisiana Parish	Total CPS QOCSR Share:		\$ 23,587,053.82
	QOCSR	Share	CPS QOCSR Share
Assumption	\$ 257,338,658.63	4.65656%	\$ 1,098,345.98
Calcasieu	\$ 252,545,350.81	4.56983%	\$ 1,077,887.69
Cameron	\$ 386,914,672.80	7.00125%	\$ 1,651,388.79
Iberia	\$ 324,976,485.14	5.88047%	\$ 1,387,030.69
Jefferson	\$ 318,641,045.70	5.76583%	\$ 1,359,990.43
Lafourche	\$ 373,674,016.32	6.76166%	\$ 1,594,876.40
Livingston	\$ 210,863,511.10	3.81559%	\$ 899,985.61
Orleans	\$ 229,770,262.37	4.15771%	\$ 980,681.43
Plaquemines	\$ 427,708,158.31	7.73941%	\$ 1,825,499.28
St. Bernard	\$ 287,593,429.36	5.20403%	\$ 1,227,476.23
St. Charles	\$ 246,120,410.14	4.45357%	\$ 1,050,465.43
St. James	\$ 233,866,845.63	4.23184%	\$ 998,166.04
St. John the Baptist	\$ 230,315,143.71	4.16757%	\$ 983,007.04
St. Martin	\$ 264,019,706.79	4.77746%	\$ 1,126,861.33
St. Mary	\$ 328,721,186.01	5.94824%	\$ 1,403,013.43
St. Tammany	\$ 216,276,784.74	3.91355%	\$ 923,089.98
Tangipoha	\$ 202,755,533.36	3.66888%	\$ 865,379.99
Terrebonne	\$ 412,430,558.21	7.46296%	\$ 1,760,293.03
Vermillion	\$ 321,833,237.17	5.82360%	\$ 1,373,615.01
<b>Total</b>	<b>\$ 5,526,364,996.30</b>	<b>100%</b>	<b>\$ 23,587,053.82</b>

# Final Calculation of State and CPS Benefits

Total Louisiana Allocation:				\$134,783,164.67
Louisiana Parish	CPS Population Share	CPS Coastline Length Share	CPS QOCSR Share	Total CPS Share
Assumption	\$ 127,067.24	\$ 318,743.97	\$ 1,098,345.98	\$ 1,544,157.19
Calcasieu	\$ 997,375.65	\$ 318,743.97	\$ 1,077,887.69	\$ 2,394,007.31
Cameron	\$ 54,281.20	\$ 1,573,139.23	\$ 1,651,388.79	\$ 3,278,809.22
Iberia	\$ 398,054.90	\$ 656,265.16	\$ 1,387,030.69	\$ 2,441,350.75
Jefferson	\$ 2,474,551.28	\$ 180,357.90	\$ 1,359,990.43	\$ 4,014,899.61
Lafourche	\$ 488,829.63	\$ 427,078.10	\$ 1,594,876.40	\$ 2,510,784.13
Livingston	\$ 498,826.37	\$ 318,743.97	\$ 899,985.61	\$ 1,717,555.95
Orleans	\$ 2,633,238.63	\$ 318,743.97	\$ 980,681.43	\$ 3,932,664.03
Plaquemines	\$ 145,371.05	\$ 2,726,677.49	\$ 1,825,499.28	\$ 4,697,547.82
St. Bernard	\$ 365,255.82	\$ 727,072.32	\$ 1,227,476.23	\$ 2,319,804.38
St. Charles	\$ 261,175.65	\$ 318,743.97	\$ 1,050,465.43	\$ 1,630,385.05
St. James	\$ 115,266.74	\$ 318,743.97	\$ 998,166.04	\$ 1,432,176.75
St. John the Baptist	\$ 233,858.48	\$ 318,743.97	\$ 983,007.04	\$ 1,535,609.49
St. Martin	\$ 263,951.92	\$ 318,743.97	\$ 1,126,861.33	\$ 1,709,557.22
St. Mary	\$ 290,666.03	\$ 336,194.89	\$ 1,403,013.43	\$ 2,029,874.35
St. Tammany	\$ 1,039,160.93	\$ 318,743.97	\$ 923,089.98	\$ 2,280,994.89
Tangipoha	\$ 546,495.60	\$ 318,743.97	\$ 865,379.99	\$ 1,730,619.56
Terrebonne	\$ 567,765.83	\$ 1,281,507.55	\$ 1,760,293.03	\$ 3,609,566.41
Vermillion	\$ 292,333.96	\$ 697,794.56	\$ 1,373,615.01	\$ 2,363,743.53
<b>Total CPS Shares:</b>	<b>\$11,793,526.91</b>	<b>\$11,793,526.91</b>	<b>\$23,587,053.82</b>	<b>\$ 47,174,107.63</b>
<b>Total Louisiana State Share:</b>				<b>\$ 87,609,057.03</b>

# State Share Estimated Allocation Ranges

(provided on screen at CIAP workshop 17 July 2006)

***Note: the ranges provided are estimates based on FY05 data. Actual allocations will be based on FY06 data, and may fall outside of the ranges indicated.***

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