

The Honorable Kay Ivey, Governor of Alabama (Chair)
The Honorable Mike Dunleavy, Governor of Alaska (Vice Chair)
The Honorable Greg Abbott, Governor of Texas
The Honorable Tate Reeves, Governor of Mississippi
The Honorable John Bel Edwards, Governor of Louisiana



May 20, 2020

The Honorable Mitch McConnell
S-230, The Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Main Office
H-232, The Capitol
Washington, DC 20515

The Honorable John Thune
S-208, The Capitol
Washington, DC 20510

The Honorable Steny Hoyer
H-107, The Capitol
Washington, DC 20515

The Honorable Charles E. Schumer
S-221, The Capitol
Washington, D.C. 20510

The Honorable Kevin McCarthy
H-204, The Capitol
Washington, DC 20515

The Honorable Richard J. Durbin
S-321, The Capitol
Washington, DC 20510

The Honorable Steve Scalise
H-148, The Capitol
Washington, DC 20515

Dear Senate and House Leaders:

As our states and the nation continue to grapple with the economic and health impacts from the COVID-19 virus, it is more crucial than ever to continue to find ways to stimulate our respective economies and provide relief for our families and businesses. Further, it is vital that we continue to supply the country with energy to meet our critical needs.

To help achieve these critical goals, the Outer Continental Shelf (OCS) Governors Coalition offers its continued support for efforts to increase revenue sharing to support coastal states responsible for energy production on the OCS. The Coalition urges you to consider the impacted coastal resources in these states and to include these needs in additional stimulus legislative relief and recovery packages.

The OCS Governors Coalition was created by governors from coastal states in May 2011 to promote a constructive dialogue on OCS energy-resource planning and development between coastal state governors and federal policy makers. The bipartisan group of governors supports policies that encourage a safe, responsible expansion of offshore oil, natural gas, and renewable energy development to the benefit of the nation, our states, and our citizens. As state executives, our principal role in the OCS Governors Coalition is to consider the opportunities and challenges of offshore energy development and coastal management in order to appropriately balance economic prospects with the health and safety of our citizens as well as the unique coastal resources serving as the foundation of our local communities and the nation's economy.

The Coalition offers its strong support for expanded revenue sharing that was established under the Gulf of Mexico Energy Security (GOMESA) of 2006. GOMESA established that Gulf States would receive a portion of the revenues from production off their coasts, but this revenue is capped at a combined \$375 million. This important revenue is used by our coastal states to maintain and preserve our coast, ultimately protecting our citizens, the nation's energy supply and the environment. We strongly support efforts by Congress to equitably increase the percentage of offshore production revenue distributed to the Gulf producing states and to **remove the existing cap on revenues to the Gulf States**.

For comparison, onshore states share oil and gas revenues from federal lands through the Mineral Leasing Act (MLA) of 1920 whereby states receive a fifty percent portion from all mineral revenues generated in their state, and have no cap.

By the numbers in fiscal year 2019 total MLA revenues were \$4.849 billion with a total disbursement of \$1.99 billion to the four highest-producing states (Colorado, New Mexico, Utah, Wyoming), compared to the total OCS revenues which were \$5.510 billion and a total disbursement of \$214.9 million to our states.

These figures represent funding that could be utilized to get infrastructure projects to restore our coasts funded and get our economies back working. For these reasons we are urging Congress for mineral revenue parity.

Unlike the Gulf of Mexico, Alaska fails to receive any revenue sharing from activities beyond six miles off its shores. However, Alaska has many of the same coastal needs as the Gulf States. Thus, the Coalition urges Congress to establish a revenue sharing program for Alaska to benefit both its coastal resources and coastal political subdivisions.

Additionally, the OCS Governors Coalition asks that our Congressional delegations work with members to find a constructive solution that will allow for access to the deep waters of the Central and Eastern Gulf of Mexico to help secure America's energy future. The Gulf of Mexico is important to all Gulf States and we seek a long-term compromise solution that allows for expanded opportunities for leasing and energy development – particularly in the deep-water areas of the western portion of the Eastern Gulf.

Senate and House Leaders

May 20, 2020

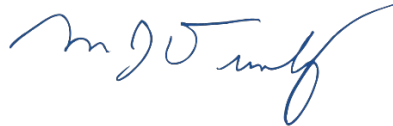
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The Coalition appreciates the opportunity to weigh in on these critical issues that affect our states, and the entire nation.

Sincerely,



Governor Kay Ivey
Governor of Alabama
Chair, OCS Governors Coalition



Governor Mike Dunleavy
Governor of Alaska
Vice Chair, OCS Governors Coalition



Governor John Bel Edwards
Governor of Louisiana



Governor Tate Reeves
Governor of Mississippi



Governor Greg Abbott
Governor of Texas

CC

Secretary David Bernhardt
Senator Richard Shelby
Senator Doug Jones
Senator Lisa Murkowski
Senator Dan Sullivan
Senator John Kennedy
Senator Bill Cassidy
Senator Cindy Hyde-Smith
Senator Roger Wicker
Senator Ted Cruz
Senator John Cornyn
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Senator Rick Scott

Governor Ron DeSantis

Congressman Bradley Byrne

Congresswoman Martha Roby

Congressman Mike Rogers

Congressman Robert Aderholt

Congressman Mo Brooks

Congressman Gary Palmer

Congresswoman Terri Sewell

Congressman Don Young

Congressman Cedric Richmond

Congressman Clay Higgins

Congressman Mike Johnson

Congressman Ralph Abraham

Congressman Garret Graves

Congressman Trent Kelly

Congressman Bennie Thompson

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Congressman Bill Flores

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Congressman Joaquin Castro

Congressman Chip Roy

Congressman Pete Olson

Congressman Will Hurd

Congressman Kenny Marchant

Congressman Roger Williams

Congressman Michael Burgess

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Congressman Michael Cloud
Congressman Henry Cuellar
Congresswoman Sylvia Garcia
Congresswoman Eddie Bernice Johnson
Congressman John Carter
Congressman Colin Allred
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Congressman Lloyd Doggett
Congressman Brian Babin
Congressman Matt Gaetz
Congressman Neal Dunn
Congressman Ted Yoho
Congressman John Rutherford
Congressman Al Lawson
Congressman Michael Waltz
Congresswoman Stephanie Murphy
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Congressman Darren Soto
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