

# Deepwater Horizon Oil Spill

## Summary of the Federal Administration's Legislative Package

### Proposed May 12, 2010

[Created from the full White House Summary, available at <http://www.whitehouse.gov/the-press-office/fact-sheet-deepwater-horizon-oil-spill-legislative-package>]

#### Immediate Funding

- Coast Guard can obtain one or more advances -- up to \$100 million each -- from the Principal Fund within the Oil Spill Liability Trust Fund to underwrite Federal response activities connected to the discharge of oil from Deepwater Horizon spill.

#### Food Safety

- \$2 million to the FDA fish and fishery safety program to monitor and respond to the environmental impact of the oil on seafood fished from the gulf and surrounding areas.

#### Monitoring and Improving Off Shore Oil Exploration

- \$29 million for the Secretary of the Interior for additional inspections, enforcement, studies and other activities that are outside of those recoverable from the responsible parties or the Oil Spill Liability Trust Fund.
- Extend the time allowed by statute for the Minerals Management Service to review and approve oil and gas lessee exploration plans.

#### Environmental Studies to Improve Oil Spill Response

- \$2 million to the EPA
- \$5 million to NOAA

### **HELP FOR INDIVIDUALS AND BUSINESSES**

The legislation enables the Federal government to speed assistance in the event the spill gets worse and if the responsible parties are not paying claims to affected individuals quickly and fairly.

#### Oil Spill Unemployment Assistance

- Creates a new program modeled after the Disaster Unemployment Assistance Program that would offer unemployment assistance to workers who are unemployed as a result of a spill of national significance.
  - Program provide up to 26 weeks of benefits to the self-employed (**this is especially important for fishermen**), as well as other workers ineligible for regular unemployment compensation.
  - Benefit levels are determined by state law.

#### Nutrition Assistance

- This proposal would enable those impacted by a spill of national significance who might not ordinarily qualify for the Supplemental Nutrition Assistance Program (SNAP) to become eligible for the program.
- People who are already participating in the regular SNAP may be eligible for additional benefits as well. Disaster benefits are provided through an Electronic Benefits Transfer (EBT) card that can be used at authorized food retailers to buy food.
- In addition, the proposal would enable the Department of Agriculture to provide food directly to states to distribute to those who are in need. These include a variety of canned and frozen product including fruits, vegetables, and meats.

#### Employment Assistance

- **Temporary expansion of the service capacity of Workforce Investment Act training and employment programs at the state and local levels by providing funding assistance in response to large, unexpected economic events which cause significant job losses.**

#### One-Stop Assistance

- Assistance with filing claims with BP, filing unemployment insurance/Oil Spill Unemployment assistance claims, accessing job placement, training and workforce services, accessing SNAP, child care, or other social service benefits, and applying for SBA Disaster Loans.
- **States will be able to use this money to deliver these services through phone, staffed locations (assistance centers), mobile facilities, or electronic means, building on an existing infrastructure of one-stop career centers and ensuring that the same suite of services is available at other locations such as social services offices.**

### HELP FOR COMMUNITIES

#### Economic Recovery

- **\$5 million for the Economic Development Administration's Economic Adjustment Assistance program for grants to state, local, and non-profit entities in the affected region for strategic planning and technical assistance.**

#### Fisheries Disaster

- \$15 million in appropriations to provide compensation as an effective back-stop authority to guarantee to out-of-work fishermen that they will be compensated for their losses in the event of a Commerce Dept. declared fisheries disaster.

#### SBA Loans

- On May 6, 2010, the Small Business Administration began making low-interest loans with generous forbearance options available to Louisiana Gulf Coast small businesses suffering financial losses following the oil spill that shut down commercial and recreational fishing along the state's southeast coast. **SBA has not yet approved Florida's request as of 5/13.**

## PROTECTING TAXPAYERS AND HOLDING OIL COMPANIES RESPONSIBLE

### Ensuring BP is Compensating People Affected by the Spill

- Gives the President the power **partner with states to execute new forms of assistance, such as Unemployment and Nutrition Aid, if the claims process established by the Oil Pollution Act is not sufficient to meet the needs of affected individuals.**
- The government can recoup the expenses of providing these services from the responsible parties.

### Raising the Liability Caps

- For any single incident, raises the statutory expenditure limitation for the Oil Spill Liability Trust Fund from \$1 billion to \$1.5 billion
- For any single incident, raises the cap on natural resource damage assessments and claims from \$500 million to \$750 million.
- For any single incident, raises the caps on liability for responsible parties.

### Increasing the Excise Tax that Funds the Oil Spill Liability Trust Fund

- Increase the tax that oil companies pay to finance the Oil Spill Liability Trust Fund from 8 cents per barrel (per 42 gallons) to 9 cents per barrel starting this year.

### Promoting Program Integrity and Ensuring Aid Dollars Are Spent Well

- The **Department of Labor will work closely with state unemployment offices** and the responsible parties to cross-check payments for lost wages as a result of the spill.
  - The responsible parties will be required to reimburse the government for unemployment wages paid to the individual while the individual's claim is being processed.
  - Oil spill unemployment wages will be adjusted for payments in the event that the individual's claim has previously been paid.
  - The federal government will ensure that individuals who apply for oil spill unemployment wages file a claim with the responsible parties for lost wages.
- Households that experience an adverse impact due to decreased economic conditions will be provided an opportunity to apply for Supplemental Nutrition Assistance and commodity distribution.
  - Payments to these households will be charged to the responsible parties.
- **Both benefit programs will be administered by State agencies and offices using criteria used for other disasters.** It should be noted that these **programs will be initiated only in the event of a request from the affected State and a finding by the Secretary of the requisite agency that there has been a significantly adverse affect.**