

The White House

Office of the Press Secretary

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Fact Sheet: Deepwater Horizon Oil Spill Legislative Package

The Deepwater Horizon oil spill in the Gulf of Mexico is a massive and potentially unprecedented environmental disaster which can seriously damage the economy and environment of our Gulf states and could jeopardize the livelihoods of thousands of Americans who live throughout the Gulf region. From the beginning, the President has been clear that the Administration will not rest until this leak is contained and cleaned up and that we will aggressively pursue full compensation for damages from BP and other responsible parties. That is why the President today sent Congress a legislative package that will: enable the Deepwater Horizon Oil Spill response to continue expeditiously, speed assistance to people affected by this spill, and strengthen and update the oil spill liability system to better address catastrophic events. While we are asking for additional funds in some cases, the federal government will not relent in pursuing full compensation from the responsible parties for the expenses it has incurred and for the damage caused by the spill. We will do everything in our power to protect our natural resources, rebuild what has been damaged, and help the Gulf region to persevere as it has done so many times before.

A ROBUST RESPONSE

Immediate Funding

The bill would permit the Coast Guard to 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 taken in connection with the discharge of oil that began in 2010 in connection with the explosion on, and sinking of, the mobile offshore drilling unit Deepwater Horizon.

Food Safety

The U.S. Food and Drug Administration (FDA) operates a safety program for all fish and fishery products under the provisions of the Federal Food, Drug and Cosmetic Act, the Public Health Service Act, and related regulations. The FDA program includes research, inspection, laboratory analysis, compliance, enforcement, and outreach. This bill would provide \$2 million to the FDA to monitor and respond to the environmental impact of the oil on seafood fished from the gulf and surrounding areas. These efforts could include, but are not limited to, testing and deploying technology to speed the analysis of seafood samples for contamination that could harm consumers.

Monitoring and Improving Off Shore Oil Exploration

The legislation will provide \$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. In addition, the bill would extend the time allowed by statute for the Minerals Management Service to review and approve oil and gas lessee exploration plans to allow additional time for the required review.

Environmental Studies

The legislation would also provide funding to the Environmental Protection Agency (\$2 million), and National Oceanic and Atmospheric Administration (\$5 million) for various environmental studies that improve the federal response to the spill.

ASSISTANCE TO AFFECTED 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

This proposal would create a new program of unemployment assistance to workers who are unemployed as a result of a spill of national significance. The program is modeled after the Disaster Unemployment Assistance program, and, if activated, it would provide up to 26 weeks of benefits to the self-employed, as well as other workers ineligible for regular unemployment compensation. This includes self-employed workers, which is particularly important to the commercial and charter fishermen along the Gulf Coast who may lose wages because of the spill. 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. In addition, certification is streamlined both in terms of fewer eligibility factors and reduced procedural requirements. Disaster benefits are provided like regular program benefits – 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

This proposal would temporarily expand 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. These funds can provide resources to states and local workforce investment boards to quickly reemploy laid-off workers by offering training to increase occupational skills.

One-Stop Assistance

In order to help those impacted by the oil spill get claims and benefits quickly, the legislation provides states with additional help to provide one-stop services for those affected by the oil spill, including 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. This approach builds on an existing infrastructure of one-stop career centers and ensures that the same suite of services is available at other locations such as social services offices.

HELP FOR COMMUNITIES

Economic Recovery

In order to assist communities impacted by the oil spill, the package includes \$5 million for the Economic Development Administration's Economic Adjustment Assistance program. This program will award grants to state, local, and non-profit entities in the affected region for strategic planning and technical assistance. Potential activities to be funded include (but are not limited to) short- and long-term economic recovery plans, and state and local economic recovery coordinators.

Fisheries Disaster

The Secretary of Commerce has the authority to declare a fisheries disaster, but doing so does not automatically provide any funds to compensate fishermen for their lost earnings. A Congressional appropriation is necessary for such compensation to occur. The Administration requests \$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 declared fisheries disaster. The Administration will continue to work to ensure that the responsible parties make every effort to compensate those harmed by this oil spill and will only tap into these resources as a last resort.

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.

PROTECTING TAXPAYERS AND HOLDING OIL COMPANIES RESPONSIBLE

Ensuring BP is Compensating People Affected by the Spill

The Administration's proposal enables the President to trigger and mobilize, in partnership with states, 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. It also enables the government to recoup the expenses of providing these services from the responsible parties.

Raising the Liability Caps

To deal more generally with the harms created by oil spills as well as to toughen and update these laws, the bill would, for any single incident, raise the statutory expenditure limitation for the Oil Spill Liability Trust Fund from \$1 billion to \$1.5 billion and the cap on natural resource damage assessments and claims from \$500 million to \$750 million. The proposal would also raise the caps on liability for responsible parties. The Administration looks forward to working with the Congress to develop levels for the various caps that provide for substantial, and proportional, increases.

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

The Administration proposes to 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. The Oil Spill Liability Trust Fund ensures that there are sufficient resources available to pay for clean-up and damages associated with an oil spill. In particular, the Trust Fund finances ongoing Federal government activities in responding to the BP oil spill, and then provides the

legal authority for the government to seek full reimbursement from the responsible party for these activities. This increase in the oil spill liability tax moves forward a planned increase in 2017 of 1 cent per barrel, and sets a tax of 10 cents per barrel starting in 2017 to make sure that there is long-term oil industry financing for the Trust Fund.

Promoting Program Integrity and Ensuring Aid Dollars Are Spent Well

The unprecedented nature of this oil spill requires a rapid and comprehensive approach to supporting individuals, families and small businesses even while they pursue claims against the responsible parties. Each of the benefit programs has been designed to both minimize potential abuse and to ensure that the responsible parties remain liable for the losses.

First, 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. Similarly, oil spill unemployment wages will be adjusted for payments in the event that the individual's claim has previously been paid. And we will ensure that individuals who apply for oil spill unemployment wages file a claim with the responsible parties for lost wages.

Second, as a result of the spill, some households may experience an adverse impact due to a general deterioration of economic conditions. These households 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.