



Beyond Recovery

Moving the Gulf Coast Toward a Sustainable Future

Kate Gordon, Jeffrey Buchanan, and Phillip Singerman
with Jorge Madrid and Sarah Busch

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Introduction and summary

The Deepwater Horizon oil catastrophe beginning in April 2010 was a wake-up call to our nation, highlighting the Gulf Coast region's dependence on the oil-and-gas sector, and the country's dependence on offshore oil. Like the 2005 Hurricanes Katrina and Rita, the spill also highlighted the region's vulnerability to disaster—as well as the incredible resilience of its residents as they fought to recover from yet another setback.

The federal government took notice. At the request of President Barack Obama, Navy Secretary Ray Mabus developed a plan for the long-term restoration and recovery of this region. His report provided critical steps, including a call for congressional action to use penalties from the Deepwater Horizon disaster to fund a regional coastal restoration and recovery plan.

This report seeks to build upon the solid foundation provided by the Mabus report by recommending the creation of a regional ecosystem restoration plan to help coastal communities recover their past strength and potentially provide the building blocks for a new, more diversified economic growth strategy. The report includes specific recommendations to the administration, Congress, and Gulf state governors to build off existing institutions, policies, and funding mechanisms—and to create some new ones—to engage coastal community in addressing the region's long-term ecological resiliency and economic diversification needs.

This report begins with an overview of the region's economic and ecological history, focusing on the three middle Gulf states of Alabama, Louisiana, and Mississippi. While all five Gulf states were hit by the BP oil disaster, these three were closest in proximity to the Deepwater Horizon explosion and also face extraordinarily high levels of poverty.¹ They are also home to a high percentage of African Americans and non-English-speaking Vietnamese and South Asians. While social factors such as poverty, race, and ethnicity do not determine who will be hit by a disaster, they do determine a population's ability to respond and recover.

These three states are strongly dependent on their proximity to the ocean, which brings both risks and rewards for coastal communities. All three states boast strong offshore drilling, seafood, fishing, and tourism industries, each of which suffered significant losses from the oil disaster.

These states are also dependent on their inland ecosystems, in particular their wetlands, which provide invaluable natural infrastructure to mitigate storms, improve water quality, attract tourism, and provide critical habitat for commercially and recreationally important species vital to coastal livelihoods.² These wetlands are under constant threat: The Gulf region suffers the most coastal land loss of any region in the United States. In Louisiana alone, a wetland the size of a football field disappears into the ocean every half hour.³ The state is unique in that it holds 40 percent of the wetlands on the continental United States but experiences about 80 percent of all wetland losses.⁴ Without a proactive plan to save and restore these wetlands, by 2050 one-third of coastal Louisiana will have vanished into the Gulf of Mexico.⁵

Ecosystems outside Louisiana, especially in the Gulf region's barrier islands, bays, rivers, and estuaries, are also threatened. The Mississippi Sound, Mobile Bay, Apalachicola River basin, and the Matagorda Bay are each threatened by coastal development and the loss of natural habitat. Environmental losses and increased risks from rising sea level, land subsidence, and hurricane damage could cost the Gulf Coast states a total of \$350 billion in losses by 2030.⁶

Addressing these challenges with a regional plan for ecosystem restoration can directly create tens of thousands of jobs. The design, construction, operation, and monitoring of large-scale coastal and marine restoration projects bear the potential for sustaining job creation and increasing ecosystem services vital to supporting existing coastal livelihoods such as fishing, tourism, and shipping. Analysis indicates each \$1 million in investment in wetland restoration can create 29 new jobs.⁷

Such investments in wetlands and coastal restoration can create nearly six times as many jobs as investing in oil and gas. These jobs span a range of skills and occupations, many of which are familiar skills to the region's oil-and-gas, shipping, and fishing industries. As companies hire thousands of dredge operators, civil engineers, biologists, landscape architects, nursery workers, boat captains and builders, and monitors, Gulf Coast residents will have a tremendous opportunity to access new livelihood opportunities.

Gulf Coast decision makers can capture even more value from restoration activities by supporting the expansion of firms and occupations associated with them. Strategies to commercialize innovation and produce technology from research in local universities and federal laboratories can help foster a regional innovation cluster in marine and coastal science and restoration industries and occupations. The Gulf Coast is already home to more than 330 research laboratories, organizations, and programs working on coastal and marine sciences, and more than 25 distinct federal programs supporting Gulf Coast recovery and restoration.⁸ Numerous university research consortiums, federal-state restoration plans, and other collaborations, such as the five-state Gulf of Mexico alliance, exist across the region—providing a natural infrastructure to convene world-class innovation.⁹

The Gulf Coast also is home to a number of federal facilities and U.S. Department of Defense suppliers and commands, including the Stennis and Michoud Space Centers, all of which could provide distinct capabilities, including technical and physical infrastructure to assist in developing a coastal restoration cluster.

Finally, this region has an opportunity to begin looking at a longer-term economic development strategy that does not depend so heavily on oil, gas, and other natural resource extraction. In particular, the region is home to strong solar and biomass resources that could provide the initial seeds for a transformation to a cleaner energy economy.

In response to these regional challenges, assets, and opportunities, and in full recognition of the critical work already done by Secretary Mabus and the Obama administration to move forward with a strong ecosystem recovery effort in the Gulf states, we recommend Congress, the administration, and the Gulf Coast states take the following actions.

Direct 80 percent of any fines administered through the Clean Water Act from the Deepwater Horizon disaster toward a Gulf Coast Recovery Fund

To manage the fund, Congress should establish a Gulf Coast Recovery Council, a partnership of relevant federal agencies and the five Gulf state governors, to develop a plan for regional ecosystem restoration and supporting economic development. Such an effort should harness the practices of the Appalachian Regional Commission by working to create a “bottom-up” development process, one that

builds the capacity of local institutions to identify local assets and fosters stakeholder involvement in project decisions by creating multicounty development and planning bodies, Coastal Restoration and Resiliency Districts.

Ensure economic and environmental recovery are not separated

The work of the new council should be based upon core principles of promoting projects that achieve both greater ecosystem resiliency and more sustainable, inclusive economic growth. Coastal restoration work can create new jobs as well as new business models, technological innovation, and access to new markets to accelerate growth opportunities. The Gulf state governors and federal agencies should develop a multiyear strategic plan to build coastal restoration efforts into a long-term economic development plan, working with Coastal Restoration and Resiliency Districts, and incorporating any existing state-federal restoration plans in the process. Once the planning process is completed, coastal districts and other local actors may propose specified projects for funding by the council.

Create an independent Community Stakeholder Advisory Committee

This new committee could provide direct advice and oversight of the Gulf Coast Recovery Council at the very highest level. A committee of affected citizens with critical local knowledge of coastal life could help inform the council in areas such as appropriate public engagement; ensuring project selection, evaluation, and implementation reflects coastal community values and areas of local concern; and ensuring project selection and strategic planning reflect any unrepresented social, economic, and cultural costs and benefits of proposed projects.

Create Centers of Innovation for Coastal Restoration and Resiliency

These new centers would position the region to be competitive in a growing global restoration and water management marketplace. A number of economic development agencies across the region, as well as the Gulf Coast's traditional economic sectors, have already begun to embrace coastal and marine sciences as an economic opportunity. To accomplish this goal, we recommend that the legislation creating the Gulf Coast Recovery Fund set aside approximately 3 percent of the

fund, totaling \$500 million over the next 10 years, toward developing the Gulf region as an innovation hub for coastal and marine restoration and science. The funding should be used to take on the following tasks:

- **Identify projects utilizing public-private partnerships**, including incubators, technology transfer programs, seed funds, and entrepreneurial training, which can begin to spark new partnerships to bring innovative products and services out of the laboratory and into communities and the international marketplace.
- **Launch a “race to the top” competition**, leveraging existing dollars to create the linkages between existing and extensive research-and-development activities to an intentional and inclusive economic development strategy.
- **Assess capacity of existing research institutions**, including public, academic, and private-sector and federal laboratories and facilities.
- **Examine federal agency grant solicitations for strategic opportunities**, directing existing funds to the Gulf region and requiring grants to include partnerships with the private sector and community nonprofits to commercialize innovations and create new economic opportunities.
- **Include provisions to allow preferences for local firms and workers in contracting**, thus connecting recovery and restoration work in the legislation.
- **Create opportunity for dislocated and disadvantaged workers and entrepreneurs**, requiring grants to include plans for partnerships with community-based organizations.
- **Work with local businesses to identify existing firms capable of doing restoration work along with barriers to entering new markets**, especially for disadvantaged businesses, including women- and minority-owned firms.
- **Build a restoration workforce**, putting 30 percent of development funds—equal to about \$125 million—toward investments in workforce training and support needed to restore and protect the coastal ecosystem, including public-private partnerships, community college programs, apprenticeships, workforce intermediaries, and Service Corps.

- **Reduce risk by identifying and transferring new technologies and best practices** for disaster mitigation to Gulf Coast contractors, businesses, and existing homeowners, particularly those with low incomes.

Finally, we include some recommendations to get this region started on the important process of moving beyond oil-and-gas dependence toward a more diversified economy, in particular one focused on clean energy technology development and deployment. The Gulf Coast region boasts many assets that support this kind of long-term transformation but it will not happen without strong policy support. Alabama, Louisiana, and Mississippi have each taken steps to build up their renewable energy and efficiency sectors but the three states are behind the rest of the country. We recommend that each of these states:

- Pass statewide building codes requiring new and substantially renovated buildings to meet strong energy efficiency standards.
- Pass a renewable energy standard that takes into account the state's specific energy resources.
- Pass electricity grid interconnection and net metering standards, permitting and siting laws to encourage individuals and communities to adopt innovative renewable energy solutions.

A different path is possible

The Gulf Coast is a vibrant and productive part of the American economy. In this report, we build on the conversation started by Secretary Mabus about how to leverage the region's many assets, including its large network of strong community institutions, to create a more sustainable future. We're confident that when you finish reading our research and recommendations you will understand why this is the smart and fair way to help the Gulf region help itself rebuild and restructure its economy effectively and efficiently to contribute to American economic growth and prosperity in the 21st century.

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