



State of Louisiana

**DEPARTMENT OF ENERGY
AND NATURAL RESOURCES**

Federal Update

*GOMESA Cap Raised,
FY26 Appropriations Begins*

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July 16, 2025

GOMESA Cap Raised in One Big Beautiful Bill

On July 4, President Trump signed the One Big Beautiful Bill.

Using budget reconciliation, Republicans were able to unite and pass this major legislative package without Democratic votes.

Offshore Provisions

Section 50102 dealt with Offshore Oil and Gas Leasing.

- a) Required 2 yearly lease sales in the Gulf of America through the spring of 2040, as well as 1 yearly sale in Alaska.
- b) Set terms, acreage, and stipulations for sales. Additionally provided 70% revenue sharing to Alaska starting in FY 2034.
- c) Allows commingling
- d) Offers reduced royalty rates from 12.5% - 16.6%
- e) **Raises GOMESA cap by 30% to \$650M for ten years (FY25 - FY34)**
(to \$487.5M for GOMESA, 162.5M for LWCF)

Estimated \$202 million in GOMESA yearly for Louisiana, should cap be reached. (+\$46 million)

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(e) LIMITATIONS ON AMOUNT OF DISTRIBUTED QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—

Section 105(f)(1) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109–432) is amended—

(1) in subparagraph (B), by striking “and” at the end;

(2) in subparagraph (C), by striking “2055.” and inserting “2024;” and

(3) by adding at the end the following:

“(D) \$650,000,000 for each of fiscal years 2025 through 2034; and

“(E) \$500,000,000 for each of fiscal years 2035 through 2055.”.

GOMESA Revenue Sharing Provision

Alaska’s Revenue Sharing Provision

(B) REVENUE SHARING.—Notwithstanding section 8(g) and section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g), 1338), and beginning in fiscal year 2034, of the bonuses, rents, royalties, and other revenues derived from lease sales conducted under subsection (a)(2)—

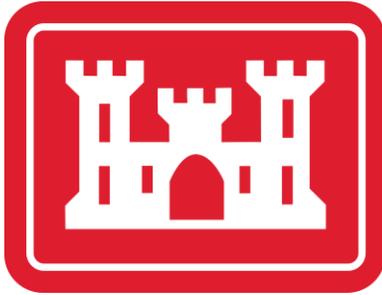
(i) 70 percent shall be paid to the State of Alaska; and

(ii) 30 percent shall be deposited in the Treasury and credited to miscellaneous receipts.

NOAA’s remaining Inflation Reduction Act resilience funds were rescinded, an estimated \$280M.

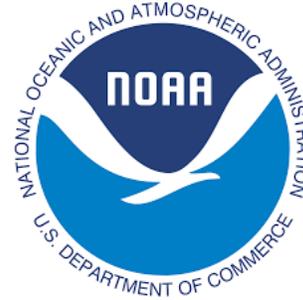


Coastal Funding in FY26 Federal Budget



U.S. Army Corps of Engineers

- \$6.663 billion budget funds 15 construction projects & 22 investigations. Remainder is O&M.
- Louisiana Investigation funding
 - \$300K for Lafitte Flood Risk Management
 - \$600K for J. Bennet Johnson Waterway
- Louisiana Construction funding
 - \$6 million for Morganza to the Gulf
 - \$18 million for Calcasieu River & Pass

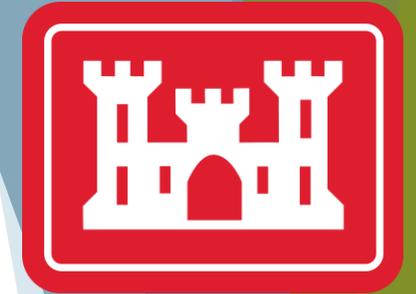


NOAA

- Eliminates Coastal Zone Management Grants (-\$81.5M)
- Eliminates National Coastal Resilience Funds (-\$32M)
- Eliminates National Estuarine Research Reserve System (-\$33.3M)
- Terminates Habitat Conservation & Restoration Program (-\$56.2M)



LA Funding in Army Corps FY26 Budget



PROJECT	BUSINESS LINE	TRUST FUND	INVESTIGATIONS	CONSTRUCTION / HMTF / IWTF	OPERATION & MAINTENANCE / HMTF		
					OPERATION	MAINTENANCE	TOTAL
LOUISIANA							
ATCHAFALAYA RIVER AND BAYOUS CHENE, BOEUF AND BLACK, LA	N	HMTF			491,000	30,000,000	30,491,000
BARATARIA BAY WATERWAY, LA	N	HMTF			114,000	170,000	284,000
BAYOU BODCAU RESERVOIR, LA	E,F,R				1,062,000	260,000	1,322,000
BAYOU LAFOURCHE AND LAFOURCHE JUMP WATERWAY, LA	N	HMTF			97,000	5,320,000	5,417,000
BAYOU PIERRE, LA	F				-	37,000	37,000
BAYOU SEGNETTE WATERWAY, LA	N	HMTF			29,000	-	29,000
BAYOU TECHE AND VERMILION RIVER, LA	N	HMTF			35,000	-	35,000
BAYOU TECHE, LA	N	HMTF			57,000	-	57,000
CADDO LAKE, LA	F,R				197,000	66,000	263,000
CALCASIEU RIVER AND PASS, LA	N	HMTF		18,000,000	1,727,000	15,602,000	17,329,000
FRESHWATER BAYOU, LA	N	HMTF			2,241,000	-	2,241,000
GULF INTRACOASTAL WATERWAY, LA	N,R				15,095,000	3,805,000	18,900,000
HOUMA NAVIGATION CANAL, LA	N	HMTF			114,000	5,920,000	6,034,000
J. BENNETT JOHNSTON WATERWAY, LA	E,N,R		600,000		8,609,000	7,430,000	16,039,000
LAKE PROVIDENCE HARBOR, LA	N	HMTF			37,000	1,900,000	1,937,000
MADISON PARISH PORT, LA	N	HMTF			8,000	250,000	258,000
MERMENTAU RIVER, LA	N	HMTF			961,000	10,075,000	11,036,000
MISSISSIPPI RIVER OUTLETS AT VENICE, LA	N	HMTF			132,000	6,210,000	6,342,000
MISSISSIPPI RIVER, BATON ROUGE TO THE GULF OF MEXICO, LA	N	HMTF			4,619,000	170,938,000	175,557,000
OUACHITA AND BLACK RIVERS, AR & LA (See Arkansas)	E,F,N,R						
PEARL RIVER, MS & LA (See Mississippi)	N						
REMOVAL OF AQUATIC GROWTH, LA	N	HMTF			200,000	-	200,000
WALLACE LAKE, LA	F,R				231,000	33,000	264,000
WATERWAY FROM EMPIRE TO THE GULF, LA	N	HMTF			11,000	-	11,000
WATERWAY FROM INTRACOASTAL WATERWAY TO BAYOU DULAC, LA	N	HMTF			17,000	-	17,000

LA Funding in Army Corps FY26 Budget - MR&T

PROJECT	BUSINESS LINE	TRUST FUND	INVESTIGATIONS	CONSTRUCTION	OPERATION & MAINTENANCE / HMTF		
					OPERATION	MAINTENANCE	TOTAL
LOWER MISSISSIPPI RIVER MAIN STEM (LMRMS)				48,934,000	32,078,000	102,853,000	134,931,000
LMRMS [Atchafalaya Basin, LA]	F,N				[12,842,000]	[6,677,000]	[19,519,000]
LMRMS [Atchafalaya Basin Floodway System, LA]	E,F,R				[1,291,000]	[337,000]	[1,628,000]
LMRMS [Bonnet Carre, LA]	E,F,R				[3,598,000]	[90,000]	[3,688,000]
LMRMS [Channel Improvement, Revetments, AR, IL, KY, LA, MS, MO and TN]	F			[37,500,000]	-	[74,295,000]	[74,295,000]
LMRMS [Channel Improvement - Dikes, AR, IL, KY, LA, MS, MO and TN]	N			[6,434,000]	-	-	-
LMRMS [Channel Improvement - Dredging, AR, IL, KY, LA, MS, MO and TN]	N				[994,000]	[11,740,000]	[12,734,000]
LMRMS [Mississippi River Levees, AR, IL, KY, LA, MS, MO and TN]	F			[5,000,000]	[4,258,000]	[4,148,000]	[8,406,000]
LMRMS [Old River, LA]	E,F,N,R				[9,095,000]	[5,566,000]	[14,661,000]
LOUISIANA							
BATON ROUGE HARBOR, DEVILS SWAMP, LA	N	HMTF			68,000	-	68,000
LAFITTE AREA FLOOD RISK MANAGEMENT, LA	F		300,000				
LOWER RED RIVER, SOUTH BANK LEVEES, LA	F				389,000	156,000	545,000
MISSISSIPPI DELTA REGION, LA	F				1,994,000	-	1,994,000
MORGANZA TO THE GULF, LA	F			6,000,000			
RED - OUACHITA RIVER BASIN LEVEES, AR and LA (See Arkansas)							
TENSAS BASIN, BOEUF AND TENSAS RIVER, AR and LA (See Arkansas)	F						
TENSAS BASIN, RED RIVER BACKWATER, LA	F				1,768,000	1,121,000	2,889,000



Delegation Submissions for Coastal Projects FY2026 Community Project Funding / Congressionally Directed Spending		Amount Requested	Supporting Member(s)
Morganza to the Gulf	Advance critical features	\$131.5M	Cassidy, Kennedy, Higgins, Scalise
West Bank & Vicinity	O&M activities including dewatering sector & sluice gates	\$55.6M	Cassidy, Kennedy
Southwest Coastal	Construct two additional miles of shoreline protection	\$20M	Cassidy, Kennedy
Upper Barataria Basin	Initiate design for levee construction & construct access roads	\$23M	Cassidy, Kennedy
Southeast Louisiana (SELA)	Construction for drainage	\$15M	Cassidy
Chandeleur Islands Restoration (via DOI)	Funding CPRA for restoration of barrier islands	\$10M	Kennedy
MRGO Ecosystem Restoration	Support design for shoreline restoration components	\$7M	Cassidy, Kennedy
Southwest Louisiana (via NOAA)	Living shoreline, habitat restoration, and public access	\$3.825M	Higgins
Lower Mississippi River Comprehensive Study	Identify recommendations for comprehensive management	\$5M	Cassidy, Kennedy
St. Tammany Parish FRM	Sign Project Partnership Agreement & start design	\$3.25M	Cassidy, Kennedy, Scalise
Pointe Celeste Pumping Station	Rehabilitation	\$3.2M	Cassidy, Kennedy, Scalise
Lake Pontchartrain & Vicinity	Assess feasibility of providing 200-year protection for Nola area	\$500K or \$3M	Cassidy, Kennedy, Scalise
South Central Coastal	Sign Project Partnership Agreement & start design	\$1M	Cassidy, Kennedy, Higgins
Alexandria to the Gulf Investigation	Initiate feasibility study	\$500K	Cassidy, Kennedy
Lake Pontchartrain Storm Surge Study	Initiate study to evaluate CPRA's master plan barrier proposal	\$500K	Kennedy
Mississippi River & Tributaries	Evaluate area drained by West Atchafalaya Basin Protection Levee	\$500K	Kennedy

Army Corps Funding in FY26 House Bill

U.S. Army Corps of Engineers in House Energy & Water Bill

- \$9.883 billion, an increase from current funding of over \$1 billion.

Included within, with overlap:

- \$3.473 billion for Harbor Maintenance Trust Fund
 - \$396.8 million for construction on inland waterways
 - \$1.97 billion for flood and storm damage reduction
 - \$200 million for studies/investigations
 - \$2.555 billion for construction
 - \$490 million for Mississippi River & Tributaries
 - \$6.14 billion for operations and maintenance
- USACE Community Project Funding: \$877 million
 - \$18.3 million for studies/investigations
 - \$583.8 million for construction
 - \$131.5 million in Mississippi River & Tributaries construction
 - \$143.6 million for operations & maintenance
 - LA Community Project Funding:
 - \$131.5M for Morganza (Scalise, Higgins)
 - \$3.25M for St. Tammany (Scalise)
 - \$3.2M for Pointe Celeste Pumping Station (Scalise)
 - \$500K for Lake Pontchartrain & Vicinity 200-year Study (Scalise)
 - \$1.65M for Houma Navigation Canal (Higgins)
 - The bill was advanced on July 14 through the House Energy & Water Appropriations Subcommittee



House Approps Energy & Water
Chairman Chuck Fleischmann (R-TN)



Updates on Project Labor Agreements (PLAs)

Background

- **Project Labor Agreement (PLA):** a pre-hire collective bargaining agreement between a construction union and a contractor, establishing terms and conditions of employment for a specific project, including wages, benefits, and dispute resolution.
- President Biden's [EO 14063](#) mandated PLAs for federal construction contracts over \$35 million, including USACE projects.

Legislative Updates

- In March, Rep. Higgins led the introduction of the Fair and Open Competition Act (FOCA Act), which boasts 104 cosponsors including Rep. Letlow. Sen. Kennedy sponsors the Senate version.
- Bill would remove federal requirements and preferences for contracting with labor unions. Takes neutral approach to PLAs.

Judicial Updates

- A suit brought by labor organizations in the U.S. District Court of the District of Columbia resulted in a preliminary injunction against the Trump Administration's memo overriding the PLA mandate for DOD and GSA federal projects. This could mean that the federal government may need to reinstate PLA requirements.
- A suit brought by American Builders & Contractors (ABC) in the Middle District of Florida is still in play, which aims to overturn the Biden PLA policy. However, ABC's request for a nationwide preliminary injunction was denied.
- On June 27, the Supreme Court ruled 6-3 in *Trump v. CASA, Inc.* to limit the ability of federal courts to issue nationwide injunctions.

"The regulatory mandate on federal construction contracts undermines free and fair competition. It is a violation of Louisiana and many other state's Right-to-work laws."

Rep. Clay Higgins

