



January 30, 2014

Dear Governors Perry, Jindal, Bryant, Bentley, and Scott -

As you know, Congress passed the Resources and Ecosystems Sustainability, Tourism Opportunities and Revived Economy Act, better known as the RESTORE Act, in 2012 as part of the MAP-21 transportation bill. The RESTORE Act dedicates 80 percent of all administrative and civil penalties paid pursuant to the Deepwater Horizon oil spill to a trust fund for the purpose of environmental and economic rebuilding. Approximately 65 percent of the funds will flow directly to your states, counties, and parishes.

Though the legislation was not perfect by any means, it did embrace a number of key conservative values: It devolves decision making from Washington to state and local governments, encourages environmental restoration that is legitimately pro-growth, and does not create any new permanent bureaucracies or claims on taxpayers.

We believe it is critical that the process of implementing the RESTORE Act on the regional, state, and local level reflects the intent of the legislation and avoids spending on projects and programs with few or even negative economic benefits for your states and the Gulf Coast as a whole. For example, using RESTORE Act funds to seed expensive and hugely inefficient so-called “green jobs” programs would threaten to squander a key opportunity to create lasting growth in the region.

Therefore, we write to encourage you to take executive action to the extent practical to ensure that the RESTORE Act is implemented in a way that is consistent with limited government and free markets. Specifically, we encourage you to utilize any executive tools available to ensure that RESTORE Act funding:

- Is subject to rigorous transparency requirements so that taxpayers know exactly how dollars are spent. Your states already make other forms of spending transparent to taxpayers through online portals; RESTORE Act funds should be no different.
- Is directed toward projects that create broad value for taxpayers rather than narrow special interests.
- Does not create any ongoing liabilities by creating permanent programs that will place unknown burdens on future taxpayers. Simply stated, the RESTORE Act should not be used as an excuse to leverage growth in government.

To be sure, many of your states have made important strides in ensuring that RESTORE Act planning is being carried out in a transparent, value-maximizing manner, and we applaud these steps.

The RESTORE Act presents an important opportunity to prove that the principles of federalism are superior to central planning from Washington. Using your executive authority to ensure funds are spent in a transparent fashion, create long-term value for taxpayers, and do not grow the size and scope of government is critical to ensuring the RESTORE Act lives up to its promise.

Sincerely,

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