

112TH CONGRESS
2D SESSION

S. 3438

To require the Secretary of the Interior to implement the Proposed Final Outer Continental Shelf Oil and Gas Leasing Program: 2012–2017 and conduct additional oil and gas lease sales to promote offshore energy development in the United States for a more secure energy future, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 25, 2012

Ms. MURKOWSKI (for herself, Mr. HOEVEN, Mr. WEBB, Ms. LANDRIEU, Mr. INHOFE, Mr. WARNER, Mr. BARRASSO, and Mr. BEGICH) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To require the Secretary of the Interior to implement the Proposed Final Outer Continental Shelf Oil and Gas Leasing Program: 2012–2017 and conduct additional oil and gas lease sales to promote offshore energy development in the United States for a more secure energy future, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Offshore Petroleum
5 Expansion Now Act of 2012”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) OCS PLANNING AREA.—The term “OCS
4 Planning Area” means an area specified as an Outer
5 Continental Shelf Planning Area by the Department
6 of the Interior as of the date of the enactment of
7 this Act.

8 (2) PROPOSED OIL AND GAS LEASING PRO-
9 GRAM: 2012–2017.—The term “Proposed Oil and Gas
10 Leasing Program: 2012–2017” means the Proposed
11 Final Outer Continental Shelf Oil and Gas Leasing
12 Program: 2012–2017 described in the notice of
13 availability published in the Federal Register on
14 July 6, 2012 (77 Fed. Reg. 40080).

15 (3) SECRETARY.—The term “Secretary” means
16 the Secretary of the Interior.

17 **SEC. 3. REQUIREMENT TO IMPLEMENT PROPOSED OIL AND**
18 **GAS LEASING PROGRAM: 2012–2017.**

19 (a) IN GENERAL.—Except as otherwise provided in
20 this Act, the Secretary shall implement the Proposed Oil
21 and Gas Leasing Program: 2012–2017 in accordance with
22 the schedule for conducting oil and gas lease sales con-
23 tained in the Proposed Oil and Gas Leasing Program:
24 2012–2017, the Outer Continental Shelf Lands Act (43
25 U.S.C. 1331 et seq.), and other applicable law.

1 (b) MODIFIED AND ADDITIONAL LEASE SALES.—
 2 Notwithstanding the schedule of lease sales in the Pro-
 3 posed Oil and Gas Leasing Program: 2012–2017, the Sec-
 4 retary shall conduct under the Outer Continental Shelf
 5 Lands Act (43 U.S.C. 1331 et seq.) oil and gas lease sales
 6 in OCS Planning Areas as specified in the following table,
 7 during the year specified in the table for each lease sale:

Lease Sale No.	OCS Planning Area	Year
212	Chukchi Sea	2013
217	Beaufort Sea	2016
220	Mid-Atlantic	2013
221	Chukchi Sea	2014
225	Eastern Gulf of Mexico	2013
226	Eastern Gulf of Mexico	2016
227	Central Gulf of Mexico	2013
228	Southern California	2014
229	Western Gulf of Mexico	2012
230	Mid-Atlantic	2014
231	Central Gulf of Mexico	2014
233	Western Gulf of Mexico	2013
234	Eastern Gulf of Mexico	2015
235	Central Gulf of Mexico	2015
237	Chukchi Sea	2016
238	Western Gulf of Mexico	2014
241	Central Gulf of Mexico	2016
242	Beaufort Sea	2014
243	Southern California	2017
244	Cook Inlet	2013
245	Mid-Atlantic	2015
246	Western Gulf	2015
247	Central Gulf of Mexico	2017
248	Western Gulf of Mexico	2016
249	Southern California (exist- ing infrastructure sale) ...	2013
250	Mid-Atlantic	2017.

8 (c) LEASE SALES DESCRIBED.—For purposes of sub-
 9 section (b)—

10 (1) lease sale numbers 225, 226, 227, 229, 231,
 11 233, 235, 237, 238, 241, 242, 244, 246, 247, and
 12 248 are lease sales proposed in, and shall be con-
 13 ducted in accordance with, the Proposed Oil and Gas

1 Leasing Program: 2012–2017, except each lease sale
2 shall be conducted in the year specified for the sale
3 in the table under subsection (b);

4 (2) lease sale numbers 212, 217, 220, 221, 228,
5 230, 234, 243, and 245 are sales proposed in, and
6 shall be conducted in accordance with, the Draft
7 Proposed Outer Continental Shelf (OCS) Oil and
8 Gas Leasing Program 2010–2015 (January 2009),
9 except each lease sale shall be conducted in the year
10 specified for the sale in the table under subsection
11 (b); and

12 (3) lease sale number 250 shall be conducted—

13 (A) for lease tracts in the OCS Planning
14 Area and Mid-Atlantic OCS Planning Area, re-
15 spectively, by and at the discretion of the Sec-
16 retary, subject to subparagraph (C);

17 (B) in the year specified for the lease sale
18 in the table under subsection (b); and

19 (C) in accordance with the other provisions
20 of this Act.

21 **SEC. 4. SOUTHERN CALIFORNIA EXISTING INFRASTRUC-**
22 **TURE LEASE SALE.**

23 (a) IN GENERAL.—In the case of lease sale number
24 249, the Secretary shall offer for sale leases of tracts in
25 the Santa Maria and Santa Barbara or Ventura Basins

1 of the Southern California OCS Planning Area as soon
2 as practicable, but not later than December 31, 2013.

3 (b) USE OF EXISTING STRUCTURES OR ONSHORE-
4 BASED DRILLING.—The Secretary shall include in leases
5 offered for sale under lease sale numbers 228, 243, and
6 249 such terms and conditions as are necessary to require
7 that development and production may occur only from off-
8 shore infrastructure in existence on the date of the enact-
9 ment of this Act or from onshore-based drilling unless, not
10 later than 1 year after the date of the next scheduled
11 Southern California lease sale, the Governor of the State
12 of California requests the Secretary to conduct an area-
13 wide sale.

14 **SEC. 5. REVISED MAP OF THE MID-ATLANTIC PLANNING**
15 **AREA.**

16 (a) DEFINITION OF MID-ATLANTIC STATE.—In this
17 section, the term “Mid-Atlantic State” means each of the
18 States of Delaware, Maryland, North Carolina, and Vir-
19 ginia.

20 (b) REVISION OF MAP.—Subject to subsection (c),
21 the Secretary shall revise the Bureau of Ocean Energy
22 Management, Regulation and Enforcement map entitled
23 “Atlantic NAD 83 Federal Outer Continental Shelf (OCS)
24 Administrative Boundaries” and dated January 2010 to
25 ensure that the square footage of the leasable area in the

1 Mid-Atlantic planning area is directly proportional to the
2 length of the tidal shoreline of the Mid-Atlantic States,
3 as determined using the information on tidal shorelines
4 provided in the document published by the National Oce-
5 anic and Atmospheric Administration entitled “The Coast-
6 line of the United States” and numbered NOAA/PA
7 71046 (1975).

8 (c) LIMITATION.—Nothing in this section affects the
9 boundary of Lease Sale 220.

10 **SEC. 6. NATIONAL DEFENSE.**

11 (a) NATIONAL DEFENSE AREAS.—This Act shall not
12 affect the authority of the Secretary of Defense, with the
13 approval of the President, to designate national defense
14 areas on the outer Continental Shelf pursuant to section
15 12(d) of the Outer Continental Shelf Lands Act (43
16 U.S.C. 1341(d)).

17 (b) PROHIBITION ON CONFLICTS WITH MILITARY
18 OPERATIONS.—No person may engage in any exploration,
19 development, or production of oil or natural gas on the
20 Outer Continental Shelf under a lease issued under this
21 Act that would conflict with any military operation, as de-
22 termined in accordance with—

23 (1) the Memorandum of Agreement between the
24 Department of Defense and the Department of the

1 Interior on Mutual Concerns on the Outer Conti-
2 nental Shelf signed July 20, 1983; and

3 (2) any revision or replacement for that agree-
4 ment that is agreed to by the Secretary of Defense
5 and the Secretary of the Interior after that date but
6 before the date of issuance of the lease under which
7 the exploration, development, or production is con-
8 ducted.

9 **SEC. 7. ENVIRONMENTAL IMPACT STATEMENT REQUIRE-**
10 **MENT.**

11 (a) IN GENERAL.—For purposes of this Act and to
12 conduct lease sales in accordance with the lease sale sched-
13 ule established by this Act, the Secretary shall prepare a
14 multisale environmental impact statement under section
15 102 of the National Environmental Policy Act of 1969 (42
16 U.S.C. 4332) for all lease sales required under this Act
17 that are not included in the Proposed Oil and Gas Leasing
18 Program: 2012–2017.

19 (b) ACTIONS TO BE CONSIDERED.—Notwithstanding
20 section 102 of the National Environmental Policy Act of
21 1969 (42 U.S.C. 4332), in the statement described in sub-
22 section (a)—

23 (1) the Secretary is not required to identify
24 nonleasing alternative courses of action or to analyze

1 the environmental effects of alternative courses of
2 action; and

3 (2) the Secretary shall only—

4 (A) identify a preferred action for leasing
5 and not more than 1 alternative leasing pro-
6 posal; and

7 (B) analyze the environmental effects and
8 potential mitigation measures for the preferred
9 action and the alternative leasing proposal.

10 **SEC. 8. EASTERN GULF OF MEXICO PROTECTIONS.**

11 Nothing in this Act affects restrictions on oil and gas
12 leasing under the Gulf of Mexico Energy Security Act of
13 2006 (43 U.S.C. 1331 note; Public Law 109–432).

14 **SEC. 9. AREA-WIDE LEASE SALES.**

15 Except as provided in sections 4, 6, and 8, and except
16 as deferred under subsistence deferral in the Barrow vicin-
17 ity under the Proposed Oil and Gas Leasing Program:
18 2012–2017, all lease sales conducted pursuant to this Act
19 shall be area-wide lease sales.

20 **SEC. 10. COASTAL STATE REVENUE SHARING FOR OUTER**
21 **CONTINENTAL SHELF ENERGY SOURCES.**

22 (a) IN GENERAL.—

23 (1) FISCAL YEARS 2012 THROUGH 2022.—Not-
24 withstanding section 9 of the Outer Continental
25 Shelf Lands Act (43 U.S.C. 1338) and subject to

1 the other provisions of this section, for each of fiscal
2 years 2012 through 2022, the Secretary of the
3 Treasury shall deposit in a special account in the
4 Treasury, and the Secretary of the Interior shall dis-
5 burse, 37.5 percent of all revenues derived from all
6 rentals, royalties, bonus bids, and other sums due
7 and payable to the United States from outer Conti-
8 nental Shelf areas not scheduled for lease sale under
9 Proposed Oil and Gas Leasing Program: 2012–2017
10 to coastal States and coastal political subdivisions in
11 accordance with subsection (b).

12 (2) SUBSEQUENT FISCAL YEARS.—Notwith-
13 standing section 9 of the Outer Continental Shelf
14 Lands Act (43 U.S.C. 1338) and subject to the
15 other provisions of this section, for fiscal year 2023
16 and each subsequent fiscal year, the Secretary of the
17 Treasury shall deposit in a special account in the
18 Treasury, and the Secretary of the Interior shall dis-
19 burse, 37.5 percent of all revenues derived from all
20 rentals, royalties, bonus bids, and other sums due
21 and payable to the United States from outer Conti-
22 nental Shelf areas to coastal States and coastal po-
23 litical subdivisions in accordance with subsection (b).

24 (b) ALLOCATION AMONG COASTAL STATES AND
25 COASTAL POLITICAL SUBDIVISIONS.—

1 (1) IN GENERAL.—Subject to paragraph (2),
2 for each fiscal year, the amount made available
3 under subsection (a) from any lease shall be allo-
4 cated to each coastal State in amounts (based on a
5 formula established by the Secretary by regulation)
6 that are inversely proportional to the respective dis-
7 tances between the point on the coastline of each
8 coastal State that is closest to the geographic center
9 of the applicable leased tract and the geographic
10 center of the leased tract.

11 (2) PAYMENTS TO COASTAL POLITICAL SUB-
12 DIVISIONS.—

13 (A) IN GENERAL.—The Secretary shall pay
14 25 percent of the allocable share of each coastal
15 State, as determined under paragraph (1), to
16 the coastal political subdivisions of the coastal
17 State.

18 (B) ALLOCATION.—The amount paid by
19 the Secretary to coastal political subdivisions
20 shall be allocated to each coastal political sub-
21 division in accordance with subparagraphs (B),
22 (C), and (E) of section 31(b)(4) of the Outer
23 Continental Shelf Lands Act (43 U.S.C.
24 1356a(b)(4)).

1 (c) ADMINISTRATION.—The Secretary shall ensure
2 that revenues from all sources of renewable and nonrenew-
3 able energy leased and produced from any outer Conti-
4 nental Shelf area are distributed among coastal States and
5 coastal political subdivisions in accordance with this sec-
6 tion.

7 (d) ADDITIONAL REVENUES.—Revenues made avail-
8 able to coastal States and coastal political subdivisions
9 under this section shall be in addition to any revenues
10 made available to Gulf producing States and political sub-
11 divisions under the Gulf of Mexico Energy Security Act
12 of 2006 (43 U.S.C. 1331 note; Public Law 109–432).

13 (e) REPEAL OF LIMITATIONS ON AMOUNT OF DIS-
14 TRIBUTED QUALIFIED OUTER CONTINENTAL SHELF
15 REVENUES.—

16 (1) IN GENERAL.—Section 105 of the Gulf of
17 Mexico Energy Security Act of 2006 (43 U.S.C.
18 1331 note; Public Law 109–432) is amended by
19 striking subsection (f).

20 (2) EFFECTIVE DATE.—The amendment made
21 by paragraph (1) takes effect on the date that is 10
22 years after the date of enactment of this Act.

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