

PROTECTING AND SECURING FLORIDA'S COASTLINE ACT
OF 2019

JULY 16, 2019.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. GRIJALVA, from the Committee on Natural Resources,
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 205]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 205) to amend the Gulf of Mexico Energy Security Act of 2006 to permanently extend the moratorium on leasing in certain areas of the Gulf of Mexico, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 205 is to amend the Gulf of Mexico Energy Security Act of 2006 to permanently extend the moratorium on leasing in certain areas of the Gulf of Mexico.

BACKGROUND AND NEED FOR LEGISLATION

The Outer Continental Shelf (OCS) is the portion of the ocean seabed under federal jurisdiction, generally running from 3 to 200 miles out from the coastline. The Bureau of Ocean Energy Management (BOEM) in the Department of the Interior (DOI) is responsible for oil and gas leasing on the OCS. BOEM has divided the OCS into 26 administrative planning areas—11 along the Lower 48 states, and 15 along Alaska. Under the Outer Continental Shelf Lands Act (OCSLA), DOI must go through a multi-step process to

identify what parts of the OCS will be available for oil and gas leasing over a five-year period. BOEM is responsible for preparing the leasing program, known as the National OCS Oil and Gas Leasing Program (also known as the Five-Year Program). Section 18 of OCSLA lays out the process for developing the Five-Year Program, as well as the environmental, economic, and social factors that the Secretary must consider and balance in determining the timing and location of the sales.¹

Between 1982 and 2008, Congress used annual appropriations bills to prevent agency spending on oil and gas leasing in various portions of the OCS, with the entire Atlantic and Pacific coasts off-limits from Fiscal Year 1992 through Fiscal Year 2008.² In the summer of 2008, President George W. Bush announced he would veto any appropriations bill that contained an OCS moratorium, bringing an end to the policy rider and the decades-long congressional ban for much of the OCS. Currently, the only OCS area statutorily withdrawn from oil and gas leasing consideration is the Eastern Gulf of Mexico, which was placed under a moratorium until June 30, 2022, by the Gulf of Mexico Energy Security Act.³

Separate from, but sometimes consistent with, Congressional moratoria, Presidents have withdrawn regions of the OCS from oil and gas development under Section 12(a) of OCSLA. In June 1990, President George H.W. Bush withdrew over 33 million acres around parts of Florida, the Pacific coast, and Massachusetts through the year 2000.⁴ In 1998, President Bill Clinton extended those withdrawals through 2012 and added the Atlantic coast and parts of the Eastern Gulf of Mexico and Arctic.⁵ In 2008, President Bush lifted nearly all of the Presidential withdrawals.⁶ President Barack Obama later permanently withdrew Bristol Bay in Alaska, most of the Arctic Ocean, and small portions of the Atlantic. President Donald Trump reversed all of these other than Bristol Bay in April 2017;⁷ however, on March 29, 2019, a federal judge in Alaska declared these actions illegal and restored the Obama-era protections.⁸

President Trump's April 2017 executive order and former Secretary Zinke's Secretarial Order 3350⁹ directed BOEM to initiate the planning process for a new Five-Year Program to replace the

¹ 43 U.S.C. § 1344.

² Curry L. Hagerty, Cong. Research. Serv., R41132, Outer Continental Shelf Moratoria on Oil and Gas Development (2011).

³ The Gulf of Mexico Energy Security Act of 2006 (GOMESA), Pub. L. No. 109-432, div. C, tit. I, 120 Stat. 3000 *et seq.* (2006). GOMESA also placed approximately 3 percent of the Central Gulf of Mexico planning area under a leasing moratorium.

⁴ Statement on Outer Continental Shelf Oil and Gas Development, 26 Weekly Comp. Pres. Doc. 1006 (June 26, 1990).

⁵ Memorandum on Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition, 34 Weekly Comp. Pres. Doc. 1111 (June 12, 1998); *see also* Pub. L. No. 105-83, §§ 108-111, 111 Stat. 1543, 1561-62 (1997).

⁶ Memorandum on Modification of the Withdrawal of Areas of the United States Outer Continental Shelf from Leasing Disposition, 44 Weekly Comp. Pres. Doc. 986 (July 14, 2008); *see also* Memorandum on Modification of the June 12, 1998, Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition, 43 Weekly Comp. Pres. Doc. 19 (Jan. 9, 2007); Pub. L. No. 109-432, § 103(b), 120 Stat. 2922, 3002 (2006); Pub. L. No. 109-54, §§ 104-06, 119 Stat. 499, 521-22 (2005).

⁷ Exec. Order No. 13,795 (Apr. 28, 2017), 82 Fed. Reg. 20,815 (May 3, 2017); *see also* Emily Yehle, *Trump Lifts Obama's Ban as Greens Promise Legal Assault*, E&E News (Apr. 28, 2017), <https://www.eenews.net/greenwire/stories/1060053776/>.

⁸ Order Re Motions for Summary Judgment (Doc. 80), League of Conservation Voters v. Trump, 3:17-cv-00101 (D. Alaska Mar. 29, 2019).

⁹ Dept of the Interior, Secretarial Order No. 3350 (May 1, 2017), <https://www.doi.gov/sites/doi.gov/files/press-release/secretarial-order-3350-offshore-508.pdf>.

2017–2022 Program finalized in January 2017. On January 4, 2018, BOEM published the 2019–2024 Draft Proposed Program (DPP),¹⁰ which proposed opening more than 90 percent of the OCS to oil and gas leasing, including the entirety of America’s Atlantic, Pacific, and Arctic coasts. The DPP also proposed opening the Eastern Gulf of Mexico to oil and gas leasing once the existing moratorium ends in 2022.

On March 6, 2019, BOEM’s Acting Director, Walter Cruickshank, appeared before the House Subcommittee on Energy and Mineral Resources and testified that BOEM “will release the Proposed Program in the coming weeks.”¹¹ However, in an interview with *The Wall Street Journal* on April 25, 2019, Secretary David Bernhardt indicated that at his direction, development of the proposed program had been placed on hold,¹² and on May 7, 2019, before a House Appropriations Subcommittee, the Secretary stated that release of “[the proposed program] is not imminent at this time.”¹³ The Secretary’s stated reasoning for halting the plan was the March 29, 2019, federal court decision reinstating protections from leasing in parts of the Arctic and Atlantic oceans, despite the fact that BOEM has previously released draft plans proposing to lease off-limits areas in the event moratoria were removed.¹⁴

One likely explanation for the Department’s actions is that the Trump Administration intends, if the President is reelected, to include the Eastern Gulf of Mexico in its final Five-Year Program and to hold lease sales in the Eastern Gulf as early as 2022. Comments from then-Secretary Zinke and the BOEM Acting Director Cruickshank frequently contradicted each other regarding the possibility of leasing around Florida, and efforts to obtain additional clarity from Secretary Bernhardt on his plans for the Eastern Gulf of Mexico have been fruitless. Given the widespread belief that a tweet from Secretary Zinke declaring Florida off-limits to offshore oil and gas leasing was issued to support Florida Governor Rick Scott in his Senate race, the Committee is concerned that the Administration is playing similar games with its 2019–2024 program and intends to wait until after the 2020 presidential election, in which Florida may be a key swing state, before revealing an unpopular plan to lease off of Florida’s shore.

Offshore oil and gas development pose existential threats to Florida’s tourism, fishing, and recreation economy, which rely on clean water and healthy beaches. These industries are worth much more to the economy and people of Florida than whatever limited benefits would be gained by needlessly drilling for oil and gas in the Eastern Gulf, and these industries must be protected by permanently extending the leasing moratorium, as H.R. 205 would accomplish. Fishing, tourism, and recreation in Florida account for \$37.4 billion in GDP, including \$17.5 billion just from the Gulf

¹⁰ <https://www.boem.gov/NP-Draft-Proposed-Program-2019-2024/>.

¹¹ *Examining the Policies and Priorities of the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, and the U.S. Geological Survey: Hearing Before the Subcomm. on Energy & Mineral Res. of the H. Comm. on Nat. Res.*, 116th Cong. (2019) (testimony of Walter Cruickshank, Acting Director, Bureau of Ocean Energy Management).

¹² Timothy Puko, *Trump’s Offshore Oil-Drilling Plan Sidelined Indefinitely*, *Wall St. J.* (Apr. 25, 2019).

¹³ *FY20 Budget: Department of the Interior: Hearing Before the Subcomm. on Interior, Env’t, & Related Agencies of the H. Comm. on Appropriations*, 116th Cong. (2019) (testimony of Secretary David Bernhardt, Dep’t of the Interior).

¹⁴ Dep’t of the Interior, Minerals Mgmt. Serv., *Draft Proposed Outer Continental Shelf Oil and Gas Leasing Program 2010–2015* (2009).

coast, and these activities support more than 600,000 jobs.¹⁵ Protecting the Eastern Gulf from oil and gas drilling has broad bipartisan support, including from both Florida Republican U.S. Senators and the Republican Governor. In 2018, Florida voters approved a Constitutional Amendment banning offshore drilling in state waters with 68.9 percent of the vote.¹⁶

Following the 2010 *Deepwater Horizon* disaster, which resulted in a blowout of nearly five million barrels of oil into the Gulf of Mexico, the west coast of Florida saw negative impacts to the commercial and recreational fishing and tourism industries, largely as a result of canceled trips from across the United States. According to the U.S. Travel Association, the oil spill would result in the loss of at least \$7.6 billion in tourism revenues across the Gulf, with potential losses as high as \$22.7 billion.¹⁷ The decline in recreational fishing was dramatic Gulf-wide: according to the National Oceanic and Atmospheric Administration, from May to August 2010, for-hire fishing trips declined by 98 percent in Mississippi, 80 percent in Alabama, 60 percent in Louisiana, and 33 percent in western Florida.¹⁸ According to CEO David Yates, Florida's Clearwater Marine Aquarium suffered a decrease of 10 percent in year-to-year attendance growth the quarter the spill occurred.¹⁹

In addition to the impacts that drilling in the Eastern Gulf of Mexico would have on Florida's economy, drilling would compromise military readiness, and the Department of Defense (DOD) has voiced opposition to the idea of oil and gas activities in this region. In May 2018, DOD published *Preserving Military Readiness in the Eastern Gulf of Mexico*, which concluded: "[i]f oil and gas development were to extend east of the [Military Mission Line], without sufficient surface limiting stipulations and/or oil and gas activity restrictions mutually agreed by the DoD and [Interior Department], military flexibility in the region would be lost and test and training activities would be severely affected."²⁰ In testimony submitted to the Committee in support of H.R. 205, Jim Heald, a retired United States Air Force Colonel with 26 years of service and a current member of the Florida Defense Support Task Force, reiterated the military importance of the existing moratorium in the Eastern Gulf and offered his full support for the bill.

Florida's coastal ecosystems and tourism-reliant businesses are too important to risk by opening the Eastern Gulf of Mexico to oil and gas leasing. Given the Trump administration's focus on extracting as much oil and gas from federal lands and federal waters as possible, and their announced interest in holding a lease sale in

¹⁵OCEANA, Florida's Clean Coast Economy (2018), http://usa.oceana.org/sites/default/files/4046/florida_updated.pdf.

¹⁶Fla. Dep't of State, Div. of Elections, Nov. 6, 2018 Gen. Election, Official Results: Constitutional Amendment, <https://results.elections.myflorida.com/DetailRpt.Asp?ELECTIONDATE=11/6/2018&RACE=A09&PARTY=&DIST=&GRP=&DATAMODE=>

¹⁷Oxford Econ., Potential Impact of the Gulf Oil Spill on Tourism 21 (2010), http://www.mississippiriverdelta.org/blog/files/2010/10/Gulf_Oil_Spill_Analysis_Oxford_Economics_710.pdf.

¹⁸OCEANA, Ingrid Biedron, Ph.D. & Suzannah Evans, Time for Action: Six Years After Deepwater Horizon 11 (2016), <https://usa.oceana.org/sites/default/files/deepwater-horizon-anniversary-report-updated-4-28.pdf>.

¹⁹*Protecting Coastal Communities from Offshore Drilling: Hearing Before the Subcomm. on Energy & Mineral Res. of the H. Comm. on Nat. Res.*, 116th Cong. (2019) (written testimony of David Yates, CEO, Clearwater Marine Aquarium), <https://naturalresources.house.gov/imo/media/doc/Testimony%20-%20David%20Yates%20-%202004.02.19.pdf>.

²⁰Office of the Secretary of Defense, *Preserving Military Readiness in the Eastern Gulf of Mexico* 21 (2018), <http://www.iadc.org/wp-content/uploads/2018/05/DOD-Offshore-Report.pdf>.

the Eastern Gulf as early as 2022, H.R. 205 is needed to permanently protect this militarily and economically vital region.

COMMITTEE ACTION

H.R. 205 was introduced on January 3, 2019, by Representative Francis Rooney (R-FL). The bill was referred solely to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On April 2, 2019, the Subcommittee held a hearing on the legislation. On June 19, 2019, the Natural Resources Committee met to consider the bill. The Subcommittee was discharged by unanimous consent. Ranking Member Rob Bishop (R-UT) offered and withdrew an amendment designated Bishop #1. Representative Garret Graves (R-LA) offered an amendment designated Graves #1. The amendment was not agreed to by a roll call vote of 14 yeas and 21 nays, as follows:

Bill/Motion: H.R. 205

Amendment: Mr. Graves #1 amendment

Disposition: Not agreed to by a roll call vote of 14 yeas and 21 nays.

DEM. MEMBERS (25)	YEAS	NAYS	PRESENT
Mr. Brown, MD .....	.....	X	.....
Mr. Cartwright, PA .....	.....	X	.....
Mr. Case, HI .....	.....	X	.....
Mr. Clay, MO .....	.....	X	.....
Mr. Costa, CA	X	.....	.....
Mr. Cox, CA .....	.....	X	.....
Mr. Cunningham, SC .....	.....	X	.....
Ms. DeGette, CO .....	.....	.....	.....
Mrs. Dingell, MI .....	.....	X	.....
Mr. Gallego, AZ .....	.....	X	.....
Mr. Grijalva, AZ (<i>Chair</i>) .....	.....	X	.....
Ms. Haaland, NM .....	.....	X	.....
Mr. Horsford, NV .....	.....	X	.....
Mr. Huffman, CA .....	.....	X	.....
Mr. Levin, CA .....	.....	X	.....
Mr. Lowenthal, CA .....	.....	X	.....
Mr. McEachin, VA .....	.....	.....	.....
Ms. Napolitano, CA .....	.....	X	.....
Mr. Neguse, CO .....	.....	X	.....
Mr. Sablan, CNMI .....	.....	X	.....
Mr. San Nicolas, GU .....	.....	.....	.....
Mr. Soto, FL .....	.....	X	.....
Mr. Van Drew, NJ .....	.....	X	.....
Mr. Tonko, NY .....	.....	X	.....
Ms. Velázquez, NY .....	.....	X	.....
REP. MEMBERS (19)	Y	N	P
<i>Mr. Bishop, UT (Ranking)</i>	X	.....	.....
<i>Ms. Cheney, WY</i>	X	.....	.....
<i>Mr. Cook, CA</i>	X	.....	.....
<i>Mr. Curtis, UT</i> .....	.....	.....	.....
<i>Mr. Fulcher, ID</i>	X	.....	.....
<i>Mr. Gohmert, TX</i>	X	.....	.....
<i>Miss González-Colón, PR</i>	X	.....	.....
<i>Mr. Gosar, AZ</i>	X	.....	.....
<i>Mr. Graves, LA</i>	X	.....	.....

<i>Mr. Hern, OK</i> .....	.....	.....	.....
<i>Mr. Hice, GA</i> .....	.....	.....	.....
<i>Mr. Johnson, LA</i> .....	.....	.....	.....
<i>Mr. Lamborn, CO</i>	X	.....	.....
<i>Mr. McClintock, CA</i>	X	.....	.....
<i>Mrs. Radewagen, AS</i> .....	.....	.....	.....
<i>Mr. Webster, FL</i>	X	.....	.....
<i>Mr. Westerman, AR</i>	X	.....	.....
<i>Mr. Wittman, VA</i>	X	.....	.....
<i>Mr. Young, AK</i> .....	.....	.....	.....
TOTALS	14	21	.....
Total: 44/Quorum: 15/Report: 23	YEAS	NAYS	PRESENT

Representative Graves offered amendments designated Graves #2 and Graves #3 en bloc. The amendments were not agreed to by a roll call vote of 14 yeas and 21 nays, as follows:

Bill/Motion: H.R. 205

Amendment: Mr. Graves #2 and #3 amendments offered en bloc

Disposition: Not agreed to by a roll call vote of 14 yeas and 21 nays.

DEM. MEMBERS (25)	YEAS	NAYS	PRESENT
<i>Mr. Brown, MD</i> .....	.....	X	.....
<i>Mr. Cartwright, PA</i> .....	.....	X	.....
<i>Mr. Case, HI</i> .....	.....	X	.....
<i>Mr. Clay, MO</i> .....	.....	X	.....
<i>Mr. Costa, CA</i>	X	.....	.....
<i>Mr. Cox, CA</i> .....	.....	X	.....
<i>Mr. Cunningham, SC</i> .....	.....	X	.....
<i>Ms. DeGette, CO</i> .....	.....	X	.....
<i>Mrs. Dingell, MI</i> .....	.....	X	.....
<i>Mr. Gallego, AZ</i> .....	.....	X	.....
<i>Mr. Grijalva, AZ (Chair)</i> .....	.....	X	.....
<i>Ms. Haaland, NM</i> .....	.....	X	.....
<i>Mr. Horsford, NV</i> .....	.....	X	.....
<i>Mr. Huffman, CA</i> .....	.....	X	.....
<i>Mr. Levin, CA</i> .....	.....	X	.....
<i>Mr. Lowenthal, CA</i> .....	.....	X	.....
<i>Mr. McEachin, VA</i> .....	.....	.....	.....
<i>Ms. Napolitano, CA</i> .....	.....	X	.....
<i>Mr. Neguse, CO</i> .....	.....	X	.....
<i>Mr. Sablan, CNMI</i> .....	.....	X	.....
<i>Mr. San Nicolas, GU</i> .....	.....	.....	.....
<i>Mr. Soto, FL</i> .....	.....	X	.....
<i>Mr. Van Drew, NJ</i> .....	.....	X	.....
<i>Mr. Tonko, NY</i> .....	.....	X	.....
<i>Ms. Velázquez, NY</i> .....	.....	X	.....
REP. MEMBERS (19)	Y	N	P
<i>Mr. Bishop, UT (Ranking)</i>	X	.....	.....
<i>Ms. Cheney, WY</i>	X	.....	.....
<i>Mr. Cook, CA</i>	X	.....	.....
<i>Mr. Curtis, UT</i> .....	.....	.....	.....
<i>Mr. Fulcher, ID</i>	X	.....	.....
<i>Mr. Gohmert, TX</i>	X	.....	.....
<i>Miss González-Colón, PR</i>	X	.....	.....
<i>Mr. Gosar, AZ</i>	X	.....	.....
<i>Mr. Graves, LA</i>	X	.....	.....

<i>Mr. Hern, OK</i> .....	.....	.....	.....
<i>Mr. Hice, GA</i> .....	.....	.....	.....
<i>Mr. Johnson, LA</i> .....	.....	.....	.....
<i>Mr. Lamborn, CO</i>	X	.....	.....
<i>Mr. McClintock, CA</i>	X	.....	.....
<i>Mrs. Radewagen, AS</i> .....	.....	.....	.....
<i>Mr. Webster, FL</i>	X	.....	.....
<i>Mr. Westerman, AR</i>	X	.....	.....
<i>Mr. Wittman, VA</i>	X	.....	.....
<i>Mr. Young, AK</i> .....	.....	.....	.....
TOTALS	14	21	.....
Total: 44/Quorum: 15/Report: 23	YEAS	NAYS	PRESENT

Representative Graves offered an amendment designated Graves #4. The amendment was not agreed to by a roll call vote of 14 yeas and 22 nays, as follows:

Bill/Motion: H.R. 205

Amendment: Mr. Graves #4 amendment

Disposition: Not agreed to by a roll call vote of 14 yeas and 21 nays.

DEM. MEMBERS (25)	YEAS	NAYS	PRESENT
<i>Mr. Brown, MD</i> .....	.....	X	.....
<i>Mr. Cartwright, PA</i> .....	.....	X	.....
<i>Mr. Case, HI</i> .....	.....	X	.....
<i>Mr. Clay, MO</i> .....	.....	X	.....
<i>Mr. Costa, CA</i> .....	.....	X	.....
<i>Mr. Cox, CA</i> .....	.....	X	.....
<i>Mr. Cunningham, SC</i> .....	.....	X	.....
<i>Ms. DeGette, CO</i> .....	.....	.....	.....
<i>Mrs. Dingell, MI</i> .....	.....	X	.....
<i>Mr. Gallego, AZ</i> .....	.....	X	.....
<i>Mr. Grijalva, AZ (Chair)</i> .....	.....	X	.....
<i>Ms. Haaland, NM</i> .....	.....	X	.....
<i>Mr. Horsford, NV</i> .....	.....	X	.....
<i>Mr. Huffman, CA</i> .....	.....	X	.....
<i>Mr. Levin, CA</i> .....	.....	X	.....
<i>Mr. Lowenthal, CA</i> .....	.....	X	.....
<i>Mr. McEachin, VA</i> .....	.....	.....	.....
<i>Ms. Napolitano, CA</i> .....	.....	X	.....
<i>Mr. Neguse, CO</i> .....	.....	X	.....
<i>Mr. Sablan, CNMI</i> .....	.....	X	.....
<i>Mr. San Nicolas, GU</i> .....	.....	.....	.....
<i>Mr. Soto, FL</i> .....	.....	X	.....
<i>Mr. Van Drew, NJ</i> .....	.....	X	.....
<i>Mr. Tonko, NY</i> .....	.....	X	.....
<i>Ms. Velázquez, NY</i> .....	.....	X	.....
REP. MEMBERS (19)	Y	N	P
<i>Mr. Bishop, UT (Ranking)</i>	X	.....	.....
<i>Ms. Cheney, WY</i>	X	.....	.....
<i>Mr. Cook, CA</i>	X	.....	.....
<i>Mr. Curtis, UT</i> .....	.....	.....	.....
<i>Mr. Fulcher, ID</i>	X	.....	.....
<i>Mr. Gohmert, TX</i>	X	.....	.....
<i>Miss González-Colón, PR</i>	X	.....	.....
<i>Mr. Gosar, AZ</i>	X	.....	.....
<i>Mr. Graves, LA</i>	X	.....	.....

<i>Mr. Hern, OK</i>	X	.....	.....
<i>Mr. Hice, GA</i> .....	.....	.....	.....
<i>Mr. Johnson, LA</i> .....	.....	.....	.....
<i>Mr. Lamborn, CO</i>	X	.....	.....
<i>Mr. McClintock, CA</i>	X	.....	.....
<i>Mrs. Radewagen, AS</i> .....	.....	.....	.....
<i>Mr. Webster, FL</i>	X	.....	.....
<i>Mr. Westerman, AR</i>	X	.....	.....
<i>Mr. Wittman, VA</i>	X	.....	.....
<i>Mr. Young, AK</i> .....	.....	.....	.....
TOTALS	14	22	.....
Total: 44/Quorum: 15/Report: 23	YEAS	NAYS	PRESENT

Representative Graves offered an amendment designated Graves #5. The amendment was not agreed to by voice vote. Representative Graves offered an amendment designated Graves #6. The amendment was not agreed to by a roll call vote of 14 yeas and 22 nays, as follows:

Bill/Motion: H.R. 205

Amendment: Mr. Graves #6 amendment

Disposition: Not agreed to by a roll call vote of 14 yeas and 22 nays.

DEM. MEMBERS (25)	YEAS	NAYS	PRESENT
<i>Mr. Brown, MD</i>	X	.....
<i>Mr. Cartwright, PA</i>	X	.....
<i>Mr. Case, HI</i>	X	.....
<i>Mr. Clay, MO</i>	X	.....
<i>Mr. Costa, CA</i>	X	.....
<i>Mr. Cox, CA</i>	X	.....
<i>Mr. Cunningham, SC</i>	X	.....
<i>Ms. DeGette, CO</i>
<i>Mrs. Dingell, MI</i>	X	.....
<i>Mr. Gallego, AZ</i>	X	.....
<i>Mr. Grijalva, AZ (Chair)</i>	X	.....
<i>Ms. Haaland, NM</i>	X	.....
<i>Mr. Horsford, NV</i>	X	.....
<i>Mr. Huffman, CA</i>	X	.....
<i>Mr. Levin, CA</i>	X	.....
<i>Mr. Lowenthal, CA</i>	X	.....
<i>Mr. McEachin, VA</i>
<i>Ms. Napolitano, CA</i>	X	.....
<i>Mr. Neguse, CO</i>	X	.....
<i>Mr. Sablan, CNMI</i>	X	.....
<i>Mr. San Nicolas, GU</i>
<i>Mr. Soto, FL</i>	X	.....
<i>Mr. Van Drew, NJ</i>	X	.....
<i>Mr. Tonko, NY</i>	X	.....
<i>Ms. Velázquez, NY</i>	X	.....
REP. MEMBERS (19)	Y	N	P
<i>Mr. Bishop, UT (Ranking)</i>	X	.....	.....
<i>Ms. Cheney, WY</i>	X	.....	.....
<i>Mr. Cook, CA</i>	X	.....	.....
<i>Mr. Curtis, UT</i>
<i>Mr. Fulcher, ID</i>	X	.....	.....
<i>Mr. Gohmert, TX</i>	X	.....	.....
<i>Miss González-Colón, PR</i>	X	.....	.....

<i>Mr. Gosar, AZ</i>	X	.....	.....
<i>Mr. Graves, LA</i>	X	.....	.....
<i>Mr. Hern, OK</i>	X	.....	.....
<i>Mr. Hice, GA</i>			
<i>Mr. Johnson, LA</i>			
<i>Mr. Lamborn, CO</i>	X	.....	.....
<i>Mr. McClintock, CA</i>	X	.....	.....
<i>Mrs. Radewagen, AS</i>			
<i>Mr. Webster, FL</i>	X	.....	.....
<i>Mr. Westerman, AR</i>	X	.....	.....
<i>Mr. Wittman, VA</i>	X	.....	.....
<i>Mr. Young, AK</i>			
TOTALS			
Total: 44/Quorum: 15/Report: 23	14 YEAS	22 NAYS	PRESENT

Representative Graves offered an amendment designated Graves #7. The amendment was not agreed to by a roll call vote of 14 yeas and 22 nays, as follows:

Bill/Motion: H.R. 205

Amendment: Mr. Graves #7 amendment

Disposition: Not agreed to by a roll call vote of 14 yeas and 22 nays.

DEM. MEMBERS (25)	YEAS	NAYS	PRESENT
<i>Mr. Brown, MD</i>		X	.....
<i>Mr. Cartwright, PA</i>		X	.....
<i>Mr. Case, HI</i>		X	.....
<i>Mr. Clay, MO</i>		X	.....
<i>Mr. Costa, CA</i>		X	.....
<i>Mr. Cox, CA</i>		X	.....
<i>Mr. Cunningham, SC</i>		X	.....
<i>Ms. DeGette, CO</i>			
<i>Mrs. Dingell, MI</i>		X	.....
<i>Mr. Gallego, AZ</i>		X	.....
<i>Mr. Grijalva, AZ (Chair)</i>		X	.....
<i>Ms. Haaland, NM</i>		X	.....
<i>Mr. Horsford, NV</i>		X	.....
<i>Mr. Huffman, CA</i>		X	.....
<i>Mr. Levin, CA</i>		X	.....
<i>Mr. Lowenthal, CA</i>		X	.....
<i>Mr. McEachin, VA</i>			
<i>Ms. Napolitano, CA</i>		X	.....
<i>Mr. Neguse, CO</i>		X	.....
<i>Mr. Sablan, CNMI</i>		X	.....
<i>Mr. San Nicolas, GU</i>			
<i>Mr. Soto, FL</i>		X	.....
<i>Mr. Van Drew, NJ</i>		X	.....
<i>Mr. Tonko, NY</i>		X	.....
<i>Ms. Velázquez, NY</i>		X	.....
REP. MEMBERS (19)	Y	N	P
<i>Mr. Bishop, UT (Ranking)</i>	X	.....	.....
<i>Ms. Cheney, WY</i>	X	.....	.....
<i>Mr. Cook, CA</i>	X	.....	.....
<i>Mr. Curtis, UT</i>			
<i>Mr. Fulcher, ID</i>	X	.....	.....
<i>Mr. Gohmert, TX</i>	X	.....	.....
<i>Miss González-Colón, PR</i>	X	.....	.....

<i>Mr. Gosar, AZ</i>	X	.....	.....
<i>Mr. Graves, LA</i>	X	.....	.....
<i>Mr. Hern, OK</i>	X	.....	.....
<i>Mr. Hice, GA</i>			
<i>Mr. Johnson, LA</i>			
<i>Mr. Lamborn, CO</i>	X	.....	.....
<i>Mr. McClintock, CA</i>	X	.....	.....
<i>Mrs. Radewagen, AS</i>			
<i>Mr. Webster, FL</i>	X	.....	.....
<i>Mr. Westerman, AR</i>	X	.....	.....
<i>Mr. Wittman, VA</i>	X	.....	.....
<i>Mr. Young, AK</i>			
TOTALS			
Total: 44/Quorum: 15/Report: 23	14 YEAS	22 NAYS	PRESENT

Representative Graves offered an amendment designated Graves #8. The amendment was not agreed to by a roll call vote of 14 yeas and 22 nays, as follows:
 Bill/Motion: H.R. 205
 Amendment: Mr. Graves #8 amendment
 Disposition: Not agreed to by a roll call vote of 14 yeas and 22 nays.

DEM. MEMBERS (25)	YEAS	NAYS	PRESENT
<i>Mr. Brown, MD</i> .....	.....	X	.....
<i>Mr. Cartwright, PA</i> .....	.....	X	.....
<i>Mr. Case, HI</i> .....	.....	X	.....
<i>Mr. Clay, MO</i> .....	.....	X	.....
<i>Mr. Costa, CA</i> .....	.....	X	.....
<i>Mr. Cox, CA</i> .....	.....	X	.....
<i>Mr. Cunningham, SC</i> .....	.....	X	.....
<i>Ms. DeGette, CO</i> .....	.....		.....
<i>Mrs. Dingell, MI</i> .....	.....	X	.....
<i>Mr. Gallego, AZ</i> .....	.....	X	.....
<i>Mr. Grijalva, AZ (Chair)</i> .....	.....	X	.....
<i>Ms. Haaland, NM</i> .....	.....	X	.....
<i>Mr. Horsford, NV</i> .....	.....	X	.....
<i>Mr. Huffman, CA</i> .....	.....	X	.....
<i>Mr. Levin, CA</i> .....	.....	X	.....
<i>Mr. Lowenthal, CA</i> .....	.....	X	.....
<i>Mr. McEachin, VA</i> .....	.....		.....
<i>Ms. Napolitano, CA</i> .....	.....	X	.....
<i>Mr. Neguse, CO</i> .....	.....	X	.....
<i>Mr. Sablan, CNMI</i> .....	.....	X	.....
<i>Mr. San Nicolas, GU</i> .....	.....		.....
<i>Mr. Soto, FL</i> .....	.....	X	.....
<i>Mr. Van Drew, NJ</i> .....	.....	X	.....
<i>Mr. Tonko, NY</i> .....	.....	X	.....
<i>Ms. Velázquez, NY</i> .....	.....	X	.....
REP. MEMBERS (19)	Y	N	P
<i>Mr. Bishop, UT (Ranking)</i>	X	.....	.....
<i>Ms. Cheney, WY</i>	X	.....	.....
<i>Mr. Cook, CA</i>	X	.....	.....
<i>Mr. Curtis, UT</i>			
<i>Mr. Fulcher, ID</i>	X	.....	.....
<i>Mr. Gohmert, TX</i>	X	.....	.....
<i>Miss González-Colón, PR</i>	X	.....	.....

<i>Mr. Gosar, AZ</i>	X	.....	.....
<i>Mr. Graves, LA</i>	X	.....	.....
<i>Mr. Hern, OK</i>	X	.....	.....
<i>Mr. Hice, GA</i>			
<i>Mr. Johnson, LA</i>			
<i>Mr. Lamborn, CO</i>	X	.....	.....
<i>Mr. McClintock, CA</i>	X	.....	.....
<i>Mrs. Radewagen, AS</i>			
<i>Mr. Webster, FL</i>	X	.....	.....
<i>Mr. Westerman, AR</i>	X	.....	.....
<i>Mr. Wittman, VA</i>	X	.....	.....
<i>Mr. Young, AK</i>			
TOTALS	14	22	.....
Total: 44/Quorum: 15/Report: 23	YEAS	NAYS	PRESENT

The bill was ordered favorably reported to the House of Representatives by a roll call vote of 24 yeas and 12 nays, as follows:
 Bill/Motion: H.R. 205
 Amendment: Final Passage
 Disposition: H.R. 205 was adopted and ordered favorably reported to the House of Representatives by a roll call vote of 24 yeas and 12 nays.

DEM. MEMBERS (25)	YEAS	NAYS	PRESENT
<i>Mr. Brown, MD</i>	X	.....	.....
<i>Mr. Cartwright, PA</i>	X	.....	.....
<i>Mr. Case, HI</i>	X	.....	.....
<i>Mr. Clay, MO</i>	X	.....	.....
<i>Mr. Costa, CA</i>	X	.....	.....
<i>Mr. Cox, CA</i>	X	.....	.....
<i>Mr. Cunningham, SC</i>	X	.....	.....
<i>Ms. DeGette, CO</i>			
<i>Mrs. Dingell, MI</i>	X	.....	.....
<i>Mr. Gallego, AZ</i>	X	.....	.....
<i>Mr. Grijalva, AZ (Chair)</i>	X	.....	.....
<i>Ms. Haaland, NM</i>	X	.....	.....
<i>Mr. Horsford, NV</i>	X	.....	.....
<i>Mr. Huffman, CA</i>	X	.....	.....
<i>Mr. Levin, CA</i>	X	.....	.....
<i>Mr. Lowenthal, CA</i>	X	.....	.....
<i>Mr. McEachin, VA</i>			
<i>Ms. Napolitano, CA</i>	X	.....	.....
<i>Mr. Neguse, CO</i>	X	.....	.....
<i>Mr. Sablan, CNMI</i>	X	.....	.....
<i>Mr. San Nicolas, GU</i>			
<i>Mr. Soto, FL</i>	X	.....	.....
<i>Mr. Van Drew, NJ</i>	X	.....	.....
<i>Mr. Tonko, NY</i>	X	.....	.....
<i>Ms. Velázquez, NY</i>	X	.....	.....
REP. MEMBERS (19)	Y	N	P
<i>Mr. Bishop, UT (Ranking)</i> .....	.....	X	.....
<i>Ms. Cheney, WY</i> .....	.....	X	.....
<i>Mr. Cook, CA</i> .....	.....	X	.....
<i>Mr. Curtis, UT</i> .....	.....	
<i>Mr. Fulcher, ID</i> .....	.....	X	.....
<i>Mr. Gohmert, TX</i> .....	.....	X	.....
<i>Miss González-Colón, PR</i>	X	.....	.....

<i>Mr. Gosar, AZ</i> .....	.....	X	.....
<i>Mr. Graves, LA</i> .....	.....	X	.....
<i>Mr. Hern, OK</i> .....	.....	X	.....
<i>Mr. Hice, GA</i> .....	.....		.....
<i>Mr. Johnson, LA</i> .....	.....		.....
<i>Mr. Lamborn, CO</i> .....	.....	X	.....
<i>Mr. McClintock, CA</i> .....	.....	X	.....
<i>Mrs. Radewagen, AS</i> .....	.....		.....
<i>Mr. Webster, FL</i>		X	.....
<i>Mr. Westerman, AR</i> .....	.....	X	.....
<i>Mr. Wittman, VA</i> .....	.....	X	.....
<i>Mr. Young, AK</i> .....	.....		.....
TOTALS	24	12	.....
Total: 44/Quorum: 15/Report: 23	YEAS	NAYS	PRESENT

HEARINGS

For the purposes of section 103(i) of H. Res. 6 of the 116th Congress—the following hearing was used to develop or consider H.R. 205: a legislative hearing titled “Protecting Coastal Communities from Offshore Drilling” held by the Subcommittee on Energy and Mineral Resources on Tuesday, April 2, 2019, at 10:00 a.m., in Room 1334 of the Longworth House Office Building.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources’ oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. Cost of Legislation and the Congressional Budget Act. With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 12, 2019.

Hon. RAÚL M. GRIJALVA,
*Chairman, Committee on Natural Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 205, the Protecting and Securing Florida’s Coastline Act of 2019.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Kathleen Gramp.

Sincerely,

PHILLIP L. SWAGEL,
Director.

Enclosure.

At a Glance			
H.R. 205, Protecting and Securing Florida's Coastline Act of 2019			
As ordered reported by the House Committee on Natural Resources on June 19, 2019			
By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	100	400
Revenues	0	0	0
Deficit Effect	0	100	400
Spending Subject to Appropriation (Outlays)	0	-14	n.e.
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	Cannot Determine	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
n.e. = not estimated.			

The bill would

- Prohibit future auctions of leases for oil and gas development in areas of the Gulf of Mexico that are within 125 miles of the coast of Florida and in most of the eastern Gulf of Mexico.

Estimated budgetary effects would primarily stem from

- Reducing collections of offsetting receipts from offshore oil and gas leases
- Reducing spending subject to appropriation for administrative expenses related to leasing activities in the affected regions of the Outer Continental Shelf (OCS)

Areas of significant uncertainty include

- Estimating the amount and timing of any future government income from oil and gas leasing activities in the affected regions of the OCS under current law

Bill summary: The Gulf of Mexico Energy Security Act of 2006 (GOMESA) imposed a temporary moratorium on oil and gas leasing in areas in the Gulf of Mexico that are within 125 miles of the Florida coast and in most of the Eastern Gulf of Mexico. Under current law, that moratorium will expire on June 30, 2022. H.R. 205 would amend existing law to permanently ban oil and gas leasing in those regions.

Estimated Federal Cost: The estimated budgetary effect of H.R. 205 is shown in Table 1. The costs of the legislation fall within budget functions 950 (undistributed offsetting receipts), and 300 (natural resources and environment).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 205

	By fiscal year, millions of dollars—													
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019–2024	2019–2029	
	Increases in Direct Spending													
Estimated Budget Authority	0	0	0	0	50	50	60	60	60	60	60	100	400	
Estimated Outlays	0	0	0	0	50	50	60	60	60	60	60	100	400	

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 205—Continued

	By fiscal year, millions of dollars—													
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019– 2024	2019– 2029	
	Decreases in Spending Subject to Appropriation													
Estimated Authorization	0	-5	-6	-2	-1	-1	n.e.	n.e.	n.e.	n.e.	n.e.	-15	n.e.	
Estimated Outlays	0	-3	-6	-4	-1	-1	n.e.	n.e.	n.e.	n.e.	n.e.	-15	n.e.	

n.e. = not estimated.

Basis of estimate: CBO assumes that the legislation will be enacted near the end of 2019.

Background: Companies that lease federal oil and gas resources pay a bonus bid when they acquire leases, make rental payments on nonproducing acreage, and pay royalties based on the value of the oil and gas produced. Using the technical and economic assumptions that underlie CBO's May 2019 baseline projections, CBO estimates that offsetting receipts from leasing activities in all areas of the Outer Continental Shelf will total \$56 billion over the 2020–2029 period. Royalties on production account for about 90 percent of that total, and bonus payments for most of the remainder. Because production in the OCS usually begins several years after a lease is issued, CBO expects that most of the proceeds during that period from leases issued after 2020 would be from bonus payments.

CBO's baseline projections of bonus bids reflect recent trends in OCS auction proceeds as well as factors that may affect the value of resources in specific areas. In particular, CBO considers the number of leases acquired by bidders in auctions and trends in the winning bids for the top 10 leases, which recently have accounted for more than 40 percent of the total proceeds from individual auctions.¹ Receipts from individual sales also vary depending on the bidders' assessments of the strategic value of specific geological resources, the degree of competition, and the size of the companies acquiring the leases. For new areas, CBO expects that proceeds also would reflect the bidders' assessment of the type and quality of the infrastructure and the costs of operating in a region.

CBO's baseline projections assume no leasing will occur through 2022 in the region subject to the GOMESA moratorium. Once those statutory restrictions expire, decisions about where and when to offer leases in this portion of the OCS will be made by DOI administratively—in consultation with industry and affected states—for five year periods. CBO's baseline projections of oil and gas leasing receipts after 2022 reflect the possibility that DOI will authorize auctions in those areas under future leasing plans.

Direct spending: CBO estimates that enacting H.R. 205 would reduce offsetting receipts (which are recorded in the budget as decreases in direct spending) and thus would increase direct spending by \$400 million over the 2020–2029 period. That estimate reflects the effects of prohibiting leasing activity in the OCS that otherwise may occur under current law.

¹Since 2015, the top 10 bids in each auction of leases in the Gulf of Mexico have accounted for fewer than 10 percent of the leases issued but more than 40 percent of the proceeds generated by the sales. Winning bids from the top 10 leases in the Central Gulf of Mexico have declined from an average of about \$60 million each over the 2008–2014 period to about \$10 million over the past five years.

Because no leasing has occurred in the affected region since the 1980s, estimates of future proceeds are uncertain. Based on recent discoveries and infrastructure investments in adjacent areas, CBO expects that there may be significant industry interest in some of the deepwater resources of the eastern Gulf region.² Access to those areas also was identified as high priority in comments submitted by industry on DOI's leasing plan for the 2017–2022 period.³ On the other hand, defense-related constraints on operations and state siting restrictions on related facilities may reduce the value of some leases. In addition, some resources off the coast of Florida probably would be excluded from auctions because leasing may not be compatible with state coastal zone management plans.

CBO has no basis to estimate the specific probability of auctions occurring in the future. In the absence of specific information, CBO uses a 50 percent probability that auctions would occur after 2022 to reflect the legal authority that would exist after 2022 to hold such auctions.

Taking into account such uncertainties and assuming that 50 percent chance that auctions would occur after 2022, CBO estimates that, under current law, auctioning leases in areas of the OCS currently subject to the GOMESA moratorium would generate offsetting receipts totaling \$400 million over the 2023–2029 period. That estimate is roughly equivalent to a theoretical case in which 50 percent of the value of 300 leases are acquired at an average price of \$2.5 million—an amount that is more than double the \$1 million average price paid per lease in 2018. CBO expects that global energy companies would actively compete for leases in this region because of its strategic and resource potential.

Spending subject to appropriation: CBO estimates that implementing H.R. 205 would reduce DOI's administrative costs by \$15 million over the 2020–2024 period. That estimate is based on historical spending patterns for developing leasing plans and completing the environmental, geologic, and economic assessments that are required under current law for potential auctions of leases in the eastern Gulf of Mexico. Any reduction in spending would depend on future appropriations being reduced by the estimated amounts.

Uncertainty: The amount the government might collect under current law for leases in areas in the Gulf of Mexico subject to the GOMESA moratorium is uncertain and could be higher or lower than CBO estimates. The timing of any auctions will depend on future administrative actions that cannot be predicted. In addition, potential bidders could rely on assumptions that differ from CBO's, including projections of the long-term prices for oil and gas, production costs, the area's resource potential, and alternative investment opportunities. The factors that affect companies' investment decisions could result in a wide range of possible bonus bids.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net

²For a discussion of Norphlet play (a geological formation in the Gulf of Mexico) and related issues, see Brian Scheid, "With U.S. Offshore Plan Likely Scrapped, Industry Pursues Changes to Federal Lease Terms," S&P Global/Platts (May 23, 2019), <http://tinyurl.com/1yxz6kd9n>.

³See Bureau of Ocean Management, 2017–2022 Outer Continental Shelf Oil and Gas Leasing Draft Proposed Program (January 2015), pp. 3–13, www.boem.gov/2017-2022-OPP (PDF, 6.2 MB).

changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 2.

TABLE 2.—CBO'S ESTIMATE OF PAY-AS-YOU-GO EFFECTS OF H.R. 205

	By fiscal year, millions of dollars—													2019– 2024	2019– 2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029					
	Net Increase in the Deficit															
Statutory Pay-As-You-Go Effect	0	0	0	0	50	50	60	60	60	60	60	60	100	400		

Increase in long-term deficits: CBO cannot determine whether enacting the bill would increase net direct spending by more than \$5 billion in any of the four consecutive periods beginning in 2030. H.R. 205 would preclude the development of some oil and gas resources that otherwise may occur in the Gulf of Mexico under current law. The potential loss of offsetting receipts after 2029 would depend on several factors, including future prices for oil and gas and the timing, quantity of any production, and future administrative actions. For example, the cost of implementing the bill may not exceed \$5 billion in any of those periods if prices are similar to those assumed in CBO's May 2019 baseline projections of \$74 per barrel in 2029. On the other hand, costs could exceed \$5 billion in some periods if prices or production exceed those projected amounts.

Mandates: None.

Estimate prepared by: Federal Costs: Kathleen Gramp; Mandates: Rachel Austin.

Estimate reviewed by: Kim Cawley, Chief, Natural Resources Cost Estimates Unit; H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis; Theresa Gullo, Assistant Director for Budget Analysis.

2. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goals and objectives of this bill is to amend the Gulf of Mexico Energy Security Act of 2006 to permanently extend the moratorium on leasing in certain areas of the Gulf of Mexico.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

UNFUNDED MANDATES REFORM ACT STATEMENT

This bill contains no unfunded mandates.

EXISTING PROGRAMS

This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or

accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

PREEMPTION OF STATE, LOCAL, OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

GULF OF MEXICO ENERGY SECURITY ACT OF 2006

* * * * *

DIVISION C—OTHER PROVISIONS

TITLE I—GULF OF MEXICO ENERGY SECURITY

* * * * *

SEC. 104. MORATORIUM ON OIL AND GAS LEASING IN CERTAIN AREAS OF GULF OF MEXICO.

(a) **IN GENERAL.**— [Effective during the period beginning on the date of enactment of this Act and ending on June 30, 2022, the Secretary] *The Secretary* shall not offer for leasing, preleasing, or any related activity—

(1) any area east of the Military Mission Line in the Gulf of Mexico;

(2) any area in the Eastern Planning Area that is within 125 miles of the coastline of the State of Florida; or

(3) any area in the Central Planning Area that is—

(A) within—

(i) the 181 Area; and

(ii) 100 miles of the coastline of the State of Florida;

or

(B)(i) outside the 181 Area;

(ii) east of the western edge of the Pensacola Official Protraction Diagram (UTM X coordinate 1,393,920 (NAD 27 feet)); and

(iii) within 100 miles of the coastline of the State of Florida.

(b) **MILITARY MISSION LINE.**—Notwithstanding subsection (a), the United States reserves the right to designate by and through the Secretary of Defense, with the approval of the President, national defense areas on the outer Continental Shelf pursuant to section 12(d) of the Outer Continental Shelf Lands Act (43 U.S.C. 1341(d)).

(c) **EXCHANGE OF CERTAIN LEASES.**—

(1) IN GENERAL.—The Secretary shall permit any person that, as of the date of enactment of this Act, has entered into an oil or gas lease with the Secretary in any area described in paragraph (2) or (3) of subsection (a) to exchange the lease for a bonus or royalty credit that may only be used in the Gulf of Mexico.

(2) VALUATION OF EXISTING LEASE.—The amount of the bonus or royalty credit for a lease to be exchanged shall be equal to—

(A) the amount of the bonus bid; and

(B) any rental paid for the lease as of the date the lessee notifies the Secretary of the decision to exchange the lease.

(3) REVENUE DISTRIBUTION.—No bonus or royalty credit may be used under this subsection in lieu of any payment due under, or to acquire any interest in, a lease subject to the revenue distribution provisions of section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)).

(4) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall promulgate regulations that shall provide a process for—

(A) notification to the Secretary of a decision to exchange an eligible lease;

(B) issuance of bonus or royalty credits in exchange for relinquishment of the existing lease;

(C) transfer of the bonus or royalty credit to any other person; and

(D) determining the proper allocation of bonus or royalty credits to each lease interest owner.

* * * * *

DISSENTING VIEWS

We are opposed to H.R. 205 as ordered reported from the Committee on Natural Resources. This legislation would permanently extend the moratorium on energy production in the Eastern Gulf of Mexico planning area set to expire in 2022.

Enacted in 2006, the Gulf of Mexico Energy Security Act (GOMESA, Public Law 109–432) established a revenue sharing structure for oil and gas lease sales on the Outer Continental Shelf (OCS) offshore Texas, Louisiana, Mississippi, and Alabama^[1] and imposed a moratorium on oil and gas leasing in the Eastern Gulf of Mexico planning area.^[2] Under GOMESA, offshore leasing is banned off the east coast of Florida through June 2022, at which time the moratorium will expire.

Our colleagues who support this bill allege that oil and gas development cannot occur alongside commercial fishing, tourism, recreation or military testing and training operations. However, the Gulf States have proven that all of these activities can coexist, and in fact, benefit from one another, so long as we follow the process established in the law for stakeholder engagement and environmental review. The coast of Louisiana, where the lion’s share of offshore drilling occurs, boasts one of the most diverse and productive ecosystems in the world, supporting marine and wildlife habitat and the largest commercial fishing industry in the contiguous United States.

Further, 36% of current oil and gas leases have stipulations to accommodate nearby military testing and training operations—demonstrating the compatibility of Department of Defense (DoD) operations and energy development on the OCS. In 1983, the Department of the Interior (DoI) and DoD signed a Memorandum of Understanding (MOU) that allows for cooperation in the event that military and planned energy leasing activities on the OCS are in conflict.^[3] The MOU establishes that certain defense-related activities may be irreconcilable with mineral exploration but, in some areas, energy production is possible so long as leasing and production stipulations are included to allow for military activity in the region.

Under the National Defense Authorization Act for Fiscal Year 2018, DoD prepared a report discussing the scope of military testing and training events conducted east of the Military Mission Line (MML) offshore Florida and Alabama in the Eastern Gulf of Mex-

^[1]Bureau of Ocean Energy Management. Gulf of Mexico Energy Security (GOMESA). <https://www.boem.gov/Revenue-Sharing/>.

^[2]Bureau of Ocean Energy Management. Gulf of Mexico Energy Security Act (GOMESA) Areas. <https://www.boem.gov/GOMESA-Map/>.

^[3]Memorandum Agreement Between the Department of Defense and the Department of the Interior on Mutual Concerns on the Outer Continental Shelf. July 20, 1983.

ico.^[4] Throughout this report, DoD reiterates, “If oil and gas development were to extend east over the MML, *without sufficient surface limiting stipulations and/or oil and gas activity restrictions mutually agreed upon by the DoD and DoI*, military flexibility in the region would be lost and test and training activities would be severely affected” [emphasis added].^[5] This conditional statement conveys that, with DoI and industry cooperation, multiple uses of the Eastern Gulf of Mexico are possible, including energy development.

Furthermore, offshore oil and gas production is a significant source of federal and State revenues. In fact, offshore oil and gas development alone contributed over \$3 billion to the U.S. Treasury and over \$200 million to the Gulf States in Fiscal Year 2018. The Gulf producing States of Texas, Mississippi, Alabama and Louisiana receive a very small portion of the revenues generated from production on the OCS. These States, specifically Louisiana, rely on these revenues to design and complete critical hurricane protection and flood prevention projects^[6]. However, recent payments have fallen well below projected levels, forcing Louisiana coastal managers to delay or cancel restoration projects. Notably, oil and gas production on the OCS is the funding source for the Land and Water Conservation Fund (LWCF), which the Congress, including proponents of this bill, recently voted to permanently authorize. It must also be noted that a Democrat-sponsored bill to create permanent mandatory funding of the LWCF was ironically considered, and passed, during the same markup that H.R. 205 was considered.

There is a clearly established process in law for States to weigh in on where we should conduct offshore energy development. This bill would bypass that process altogether by permanently banning production without consideration of the benefits this activity could provide in terms of domestic energy security. H.R. 205 is a regressive piece of legislation which does not account for the growing global demand for energy and military needs. We should be considering, through the 5-year planning process under the Outer Continental Shelf Lands Act, the best use of each area of the Gulf—with due consideration given to the needs of the military, tourism activities, and the hydrocarbon potential of these resources that are owned by the American public.

^[4] Preserving Military Readiness in the Eastern Gulf of Mexico. Office of the Secretary of Defense. May 2018.

^[5] Preserving Military Readiness in the Eastern Gulf of Mexico. Office of the Secretary of Defense. May 2018.

^[6] <http://gov.louisiana.gov/assets/docs/Final-GOMESA.pdf>.

This bill would take domestic energy resources off the table, increasing our dependence on foreign oil imports from unfriendly sources whose environmental standards are significantly less stringent than ours. Further, this proposal would preclude job creation and the generation of billions of dollars in revenue for the U.S. Treasury, States, and critical conservation investments. For these reasons, we oppose H.R. 205 as ordered reported.

RUSS FULCHER.
TOM MCCLINTOCK.
DOUG LAMBORN.
PAUL A. GOSAR.
LIZ CHENEY.
MIKE JOHNSON (LA).
GARRET GRAVES (LA).
ROB BISHOP (UT).

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