

COASTAL AND MARINE ECONOMIES PROTECTION ACT

—————
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. 1941]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1941) to amend the Outer Continental Shelf Lands Act to prohibit the Secretary of the Interior including in any leasing program certain planning areas, and for other purposes, 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. 1941 is to prohibit the Secretary of the Interior including in any leasing program certain planning areas.

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 Currently, the only OCS area statutorily withdrawn from oil and gas leasing consideration is the Eastern Gulf of Mexico, which was placed under a moratorium until June 30, 2022, by the Gulf of Mexico Energy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 2017–2022 Program finalized in January 2017. On January 4, 2018, BOEM published the 2019–2024 Draft Proposed Program

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 Interior Dep't, Secretarial Order No. 3350 (May 1, 2017), <https://www.doi.gov/sites/doi.gov/files/press-release/secretarial-order-3350-offshore-508.pdf>.

(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 portions of the Atlantic and Pacific OCS regions in its final Five-Year Program and to hold lease sales in these areas as early as 2021. Comments from then-Secretary Zinke and the BOEM Acting Director Cruickshank frequently contradicted each other regarding the possibility of expanded leasing, and efforts to obtain additional clarity from Secretary Bernhardt on his plans for the Five-Year Program have been fruitless. Assistant Secretary for Land and Minerals Management Joe Balash was recently quoted, in reference to seismic permitting in the Atlantic Ocean, as saying “I will tell you we wouldn’t work really, really hard to get the seismic permits out, if it was an area that wasn’t going to be available.”¹⁵ 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 before revealing an unpopular plan to expand OCS leasing.

H.R. 1941 places a permanent moratorium on oil and gas leasing on the U.S.’s Atlantic and Pacific coasts in order to protect the local communities and businesses that rely on clean beaches and healthy oceans from the dangers of offshore oil and gas development. The existing industries, including tourism, fishing, and outdoor recreation, which have led to prosperous economies up and down the Atlantic and Pacific, are not compatible with offshore oil and gas

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 Dept of the Interior, Minerals Mgmt. Serv., *Draft Proposed Outer Continental Shelf Oil and Gas Leasing Program 2010–2015* (2009).

¹⁵ Jimmy Tobias, *US Official Reveals Atlantic Drilling Plan While Hailing Trump’s Ability to Distract Public*, The Guardian (Mar. 14, 2019), <https://www.theguardian.com/environment/2019/mar/14/offshore-drilling-trump-official-reveals-plan-and-distractions-delight>.

drilling or the onshore infrastructure that would be required to support offshore development.

The West Coast has existing oil and gas production off shore Southern California, but no new leasing has occurred there since 1984, and local opposition to offshore drilling is strong, with recent polling showing that 69 percent of Californians oppose additional offshore oil drilling, with only 25 percent in support.¹⁶ Congressional, state, and local government opposition in the region is also strong, with three governors, six U.S. senators, more than fifty U.S. House members, ninety-two municipalities, and more than 2,100 elected officials from California, Oregon, and Washington formally opposing any new leasing off the West Coast. The Oregon and Washington coasts are believed to have very few oil or gas resources and have drawn minimal interest from the oil and gas industry in recent decades. California, however, does have a significant resource base, along with existing oil and gas infrastructure, which has made it a possible target for industry and the Trump Administration.

In April 2019, Vipe Desai, a founding member of the Business Alliance for Protecting the Pacific Coast, testified that further offshore drilling would put at risk California's \$41.9 billion ocean economy and more than 600,000 jobs, in addition to nearly 167,000 jobs and \$12.2 billion in GDP in Oregon and Washington.¹⁷ California has experienced the negative impacts of offshore oil and gas development firsthand, including during the 1969 blowout off Santa Barbara that ultimately spilled 3 million gallons of oil, and a 2015 onshore oil pipeline rupture near Refugio State Beach that spilled more than 100,000 gallons of offshore oil, much of which ended up on the beaches or in the ocean. These disasters negatively impacted coastal businesses, the tourism industry, fishing, and the health of marine ecosystems, and Pacific coast states have zero interest in more offshore oil and gas drilling that will place their economies and communities at risk.

Up and down the Atlantic seaboard, a bipartisan group of governors, state officials, mayors, and local leaders oppose oil and gas drilling because of the threat it would pose to the tourism, outdoor recreation, and fishing economies that rely on an oil-free coastline and ocean. Since early 2018, a Republican mayor from North Carolina and a Republican state senator and Republican mayor from South Carolina have all presented testimony to the Committee in opposition to oil and gas drilling off the Atlantic coast. In addition to offshore drilling rigs and platforms, offshore development requires extensive onshore infrastructure including pipelines, refineries, and storage tanks. These facilities would have a major onshore footprint and would further undermine the existing environmental and economic resources along the Atlantic shore.

The Trump Administration and other supporters of oil and gas development in the Atlantic frequently cite economic figures from a study produced for the American Petroleum Institute and the Na-

¹⁶ Pub. Policy Inst. of Cal., PPIC Statewide Survey: Californians & the Environment 20 (2017), https://www.ppic.org/wp-content/uploads/s_717mbs.pdf.

¹⁷ *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 Vipul "Vipe" Desai, Founding Member, Business Alliance for Protecting the Pacific Coast), <https://naturalresources.house.gov/imo/media/doc/Testimony%20-%20Vipe%20Desai%20-%2004.02.19.pdf>.

tional Ocean Industries Association, two oil and gas industry trade groups. Looking at those numbers in context, however, shows the much larger economic impact on fishing and tourism, which could both be significantly harmed by the presence of offshore drilling. A study done for Stop Offshore Drilling in the Atlantic showed that tourism will provide an estimated 181,543 jobs in South Carolina by 2035, compared to a potential 35,569 jobs from oil and gas.¹⁸ Further, the same study showed that tourism in just four coastal South Carolina counties eclipses the potential tax contributions of oil and gas development for the entire state, with tourism providing an estimated nearly \$2.7 billion in tax revenue in those counties alone by 2035, compared to a potential \$848 million statewide in hypothetical revenue sharing from oil and gas.¹⁹

The businesses, communities, and economies along the Atlantic and Pacific coasts will face significant risks from offshore oil and gas drilling if the Trump Administration is successful in its pursuit to open the nation's coastlines to fossil fuel development. H.R. 1941 is necessary to permanently protect these regional economies and local residents from the dangers of offshore drilling.

COMMITTEE ACTION

H.R. 1941 was introduced on March 28, 2019, by Representative Joe Cunningham (D-SC). 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. Representative Paul Gosar (R-AZ) offered an amendment designated Gosar.132 (revised). The amendment was not agreed to by a roll call vote of 14 yeas and 22 nays, as follows:

Bill/Motion: H.R. 1941

Amendment: Mr. Gosar.132 (revised) amendment

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

¹⁸Terry Munson, Ian McLaren & Tom Stickler, *Offshore Drilling vs. Tourism: Projected Revenue for South Carolina 12* (2015). The report is not available online. To obtain a copy, contact Peter Gallagher, Professional Staff, Subcommittee on Energy and Mineral Resources at peter.gallagher@mail.house.gov.

¹⁹*Id.* The latter figure is hypothetical and speculative because there is no guarantee that any federal payments from offshore drilling would be shared with Atlantic OCS states at all.

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>	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 Gosar offered an amendment designated Gosar.134 (revised). The amendment was not agreed to by a roll call vote of 14 yeas and 22 nays, as follows:

Bill/Motion: H.R. 1941

Amendment: Mr. Gosar.134 (revised) amendment

Disposition: Not agreed to by a roll call vote of 14 yeas and 22 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 (Chair)	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>	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 Tom McClintock (R-CA) offered an amendment designated McClintock #1. The amendment was not agreed to by a roll call vote of 14 yeas and 22 nays, as follows:

Bill/Motion: H.R. 1941

Amendment: Mr. McClintock #1 amendment

Disposition: Not agreed to by a roll call vote of 14 yeas and 22 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 (Chair)	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>	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

Ranking Member Rob Bishop (R-UT) offered an amendment designated Bishop #2. The amendment was not agreed to by a roll call vote of 14 yeas and 22 nays, as follows:

Bill/Motion: H.R. 1941

Amendment: Mr. Bishop #2 amendment

Disposition: Not agreed to by a roll call vote of 14 yeas and 22 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 (Chair)	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>	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 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 22 nays, as follows:

Bill/Motion: H.R. 1941

Amendment: Mr. Graves #1 amendment

Disposition: Not agreed to by a roll call vote of 14 yeas and 22 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 (Chair)	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>	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 #2. The amendment was not agreed to by a roll call vote of 14 yeas and 22 nays, as follows:

Bill/Motion: H.R. 1941

Amendment: Mr. Graves #2 amendment

Disposition: Not agreed to by a roll call vote of 14 yeas and 22 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 (Chair)	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>Ms. 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 #3. The amendment was not agreed to by a roll call vote of 11 yeas and 22 nays, as follows:

Bill/Motion: H.R. 1941

Amendment: Mr. Graves #3 amendment

Disposition: Not agreed to by a roll call vote of 11 yeas and 22 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 (Chair)	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 .....	.....	X	.....
Mr. Soto, FL .....	.....	X	.....
Mr. Van Drew, NJ .....	.....	X	.....
Mr. Tonko, NY .....	.....	X	.....
Ms. Velázquez, NY .....	.....	.....	.....
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>Ms. González-Colón, PR</i>	X	.....	.....
<i>Mr. Gosar, AZ .....</i>	.....	.....	.....
<i>Mr. Graves, LA</i>	X	.....	.....
<i>Mr. Hern, OK</i>	X	.....	.....
<i>Mr. Hice, GA</i>	X	.....	.....
<i>Mr. Johnson, LA .....</i>	.....	.....	.....
<i>Mr. Lamborn, CO</i>	X	.....	.....
<i>Mr. McClintock, CA .....</i>	.....	.....	.....
<i>Mrs. Radewagen, AS .....</i>	.....	.....	.....
<i>Mr. Webster, FL .....</i>	.....	.....	.....
<i>Mr. Westerman, AR</i>	X	.....	.....
<i>Mr. Wittman, VA .....</i>	.....	.....	.....
<i>Mr. Young, AK .....</i>	.....	.....	.....
TOTALS	11	22	.....
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 13 yeas and 21 nays, as follows:

Bill/Motion: H.R. 1941

Amendment: Mr. Graves #4 amendment

Disposition: Not agreed to by a roll call vote of 13 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 (Chair)	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 .....	.....	X	.....
Mr. Soto, FL .....	.....	X	.....
Mr. Van Drew, NJ .....	.....	X	.....
Mr. Tonko, NY .....	.....	X	.....
Ms. Velázquez, NY .....	.....	.....	.....
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> .....	.....	.....	.....
<i>Mr. Graves, LA</i>	X	.....	.....
<i>Mr. Hern, OK</i>	X	.....	.....
<i>Mr. Hice, GA</i>	X	.....	.....
<i>Mr. Johnson, LA</i> .....	.....	.....	.....
<i>Mr. Lamborn, CO</i>	X	.....	.....
<i>Mr. McClintock, CA</i> .....	.....	.....	.....
<i>Mrs. Radewagen, AS</i> .....	.....	.....	.....
<i>Mr. Webster, FL</i> .....	.....	.....	.....
<i>Mr. Westerman, AR</i>	X	.....	.....
<i>Mr. Wittman, VA</i>	X	.....	.....
<i>Mr. Young, AK</i> .....	.....	.....	.....
TOTALS	13	21	.....
Total: 44/Quorum: 15/Report: 23	YEAS	NAYS	PRESENT

Representative Graves offered an amendment designated Graves #5. The amendment was not agreed to by a roll call vote of 12 yeas and 22 nays, as follows:

Bill/Motion: H.R. 1941

Amendment: Mr. Graves #5 amendment

Disposition: Not agreed to by a roll call vote of 12 yeas and 22 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 (Chair)	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 .....	.....	X	.....
Mr. Soto, FL .....	.....	X	.....
Mr. Van Drew, NJ .....	.....	X	.....
Mr. Tonko, NY .....	.....	X	.....
Ms. Velázquez, NY .....	.....	.....	.....
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> .....	.....	.....	.....
<i>Mr. Graves, LA</i>	X	.....	.....
<i>Mr. Hern, OK</i>	X	.....	.....
<i>Mr. Hice, GA</i>	X	.....	.....
<i>Mr. Johnson, LA</i> .....	.....	.....	.....
<i>Mr. Lamborn, CO</i>	X	.....	.....
<i>Mr. McClintock, CA</i> .....	.....	.....	.....
<i>Mrs. Radewagen, AS</i> .....	.....	.....	.....
<i>Mr. Webster, FL</i> .....	.....	.....	.....
<i>Mr. Westerman, AR</i>	X	.....	.....
<i>Mr. Wittman, VA</i>	X	.....	.....
<i>Mr. Young, AK</i> .....	.....	.....	.....
TOTALS	12	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 22 yeas and 12 nays, as follows:
 Bill/Motion: H.R. 1941
 Amendment: Final Passage
 Disposition: H.R. 1941 was adopted and ordered favorably reported to the House of Representatives by a roll call vote of 22 yeas and 12 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	X	.....	.....
Mr. Soto, FL	X	.....	.....
Mr. Van Drew, NJ	X	.....	.....
Mr. Tonko, NY	X	.....	.....
Ms. Velázquez, NY .....	.....	.....	.....
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> .....	.....	.....	.....
<i>Mr. Graves, LA</i> .....	.....	X	.....
<i>Mr. Hern, OK</i> .....	.....	X	.....
<i>Mr. Hice, GA</i> .....	.....	X	.....
<i>Mr. Johnson, LA</i> .....	.....	.....	.....
<i>Mr. Lamborn, CO</i> .....	.....	X	.....
<i>Mr. McClintock, CA</i> .....	.....	.....	.....
<i>Mrs. Radewagen, AS</i> .....	.....	.....	.....
<i>Mr. Webster, FL</i> .....	.....	.....	.....
<i>Mr. Westerman, AR</i> .....	.....	X	.....
<i>Mr. Wittman, VA</i> .....	.....	X	.....
<i>Mr. Young, AK</i> .....	.....	.....	.....
TOTALS	22	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. 1941: 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. 1941, the Coastal and Marine Economies Protection Act.

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. 1941, Coastal and Marine Economies Protection Act			
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	50	200
Revenues	0	0	0
Deficit Effect	0	50	200
Spending Subject to Appropriation (Outlays)	0	-28	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 the Atlantic and Pacific regions of the Outer Continental Shelf (OCS)

Estimated budgetary effects would primarily stem from

- Reducing collection of offsetting receipts from offshore oil and gas leases
- Reducing spending subject to appropriation for administrative expenses related to leasing activities in the Atlantic and Pacific regions of the OCS

Areas of significant uncertainty include

- Estimating the amount and timing of any future government income from leasing in the Atlantic and Pacific OCS under current law

Bill Summary: H.R. 1941 would prohibit future auctions of leases for oil and gas development in the Atlantic and Pacific Outer Conti-

mental Shelf. Under current law, decisions on where and when to offer leases in the OCS are made administratively by the Secretary of the Interior—in consultation with industry and affected states—for five-year periods. Leases cannot be offered for areas that are not included in a five-year plan, but the available regions may change whenever a new plan is adopted. H.R. 1941 would direct the Secretary to exclude the Atlantic and Pacific regions from such plans.

Estimated Federal cost: The estimated budgetary effect of H.R. 1941 is shown in Table 1. The costs of the legislation fall within budget functions 950 (undistributed offsetting receipts) and 300 (natural resources and the environment).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 1941

	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	25	25	30	30	30	30	30	50	200	
Estimated Outlays	0	0	0	0	25	25	30	30	30	30	30	50	200	
Decreases in Spending Subject to Appropriation														
Estimated Authorization	0	–10	–12	–4	–1	–1	n.e.	n.e.	n.e.	n.e.	n.e.	–28	n.e.	
Estimated Outlays	0	–7	–11	–7	–2	–1	n.e.	n.e.	n.e.	n.e.	n.e.	–28	n.e.	

n.e. = not estimated.

Basis of estimate: For this 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 OCS 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

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.

reflect the bidders' assessment of the type and quality of the infrastructure and the costs of operating in a region.

The timing and location of OCS auctions currently are governed by the five-year plan for 2017 through 2022, which was adopted in 2016. Because that plan does not authorize auctions in the Atlantic and Pacific regions, CBO anticipates that no leasing will occur in those regions through 2022 under current law. However, CBO's baseline projections of oil and gas leasing receipts after 2022 reflect the possibility that DOI will authorize auctions in those areas under subsequent leasing plans.

Direct spending: CBO estimates that enacting H.R. 1941 would reduce net offsetting receipts (which are recorded in the budget as decreases in direct spending) and thus would increase direct spending by \$200 million over the 2020–2029 period. That estimate reflects the effects of prohibiting leasing activity that otherwise may occur under current law.

Because no leasing has occurred in the affected regions since the 1980s, estimates of future proceeds are uncertain. Although some companies recently applied for permits to do seismic testing off the Atlantic coast, industry comments on DOI's leasing plan for the 2017–2022 period indicate that auctions in these regions may be a lower priority than lease sales in other areas in the Gulf of Mexico.² Several factors could affect the industry interest in the Atlantic and Pacific regions, including the absence of pipelines and on-shore processing facilities in key areas, opposition in some states to the siting of such facilities in coastal areas, and past litigation regarding offshore oil and gas development, that resulted in the cancellation of some federal leases in both regions.³ In addition, some resources in those regions 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 to hold such auctions.

Taking into account such uncertainties and assuming that 50 percent chance that auctions will occur after 2022, CBO estimates that, under current law, auctioning leases in the Atlantic and Pacific OCS would generate offsetting receipts totaling \$200 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 \$1.3 million—an amount that is slightly higher the \$1 million average price paid per lease in the Gulf of Mexico in 2018. While some expect that new geologic prospects such regions may be more valuable than those in well-developed portions of the Gulf of Mexico, CBO anticipates that most of

²DOI's summary of comments on the draft leasing plan for 2017–2022 indicated that companies were most interested in auctions of resources in the Eastern Gulf of Mexico (which is subject to a statutory moratorium through June, 2022), followed by interest in the Mid- and South-Atlantic OCS. See 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-DPP (PDF, 6.2 MB).

³Agencies in several states, including California, New Jersey, and North Carolina, have adopted policies that ban oil and gas drilling and related activities in state waters and have opposed including their areas in the five-year leasing plan. See 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-DPP (PDF, 6.2 MB).

those advantages would be offset by the additional logistical costs of developing resources in the Atlantic and Pacific OCS.

Spending subject to appropriation: CBO estimates that implementing H.R. 1941 would reduce DOI’s administrative costs by \$28 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 Atlantic and Pacific OCS. Any reduction in spending would depend on future appropriations being reduced by the estimated amounts.

Uncertainty: The amounts the government might collect under current law for leases in areas in the Atlantic and Pacific OCS are 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 areas’ 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 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. 1941

	By fiscal year, millions of dollars—													
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019–2024	2019–2029	
	Net Increase in the Deficit													
Statutory Pay-As-You-Go Effect	0	0	0	0	25	25	30	30	30	30	30	50	200	

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 Atlantic or Pacific regions under current law. The potential loss of offsetting receipts after 2029 would depend on several factors, including future prices for oil and gas, the timing and 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 and there is only a 50 percent chance that the resources estimated by the DOI are leased for development. 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 and Physical Resources Cost Estimates Unit; H. Samuel Papenfuss, Deputy As-

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 prohibit the Secretary of the Interior including in any leasing program certain planning areas.

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):

OUTER CONTINENTAL SHELF LANDS ACT

* * * * *

SEC. 18. OUTER CONTINENTAL SHELF LEASING PROGRAM.—(a) The Secretary, pursuant to procedures set forth in subsections (c) and (d) of this section, shall prepare and periodically revise, and maintain an oil and gas leasing program to implement the policies of this Act. The leasing program shall consist of a schedule of proposed lease sales indicating, as precisely as possible, the size, timing, and location of leasing activity which he determines will best meet national energy needs for the five-year period following its approval or reapproval. Such leasing program shall be prepared and maintained in a manner consistent with the following principles:

(1) Management of the outer Continental Shelf shall be conducted in a manner which considers economic, social, and environmental values of the renewable and nonrenewable resources contained in the outer Continental Shelf, and the potential impact of oil and gas exploration on other resource values of the outer Continental Shelf and the marine, coastal, and human environments.

(2) Timing and location of exploration, development, and production of oil and gas among the oil- and gas-bearing physiographic regions of the outer Continental Shelf shall be based on a consideration of—

(A) existing information concerning the geographical, geological, and ecological characteristics of such regions;

(B) an equitable sharing of developmental benefits and environmental risks among the various regions;

(C) the location of such regions with respect to, and the relative needs of, regional and national energy markets;

(D) the location of such regions with respect to other uses of the sea and seabed, including fisheries, navigation, existing or proposed sealanes, potential sites of deepwater ports, and other anticipated uses of the resources and space of the outer Continental Shelf;

(E) the interest of potential oil and gas producers in the development of oil and gas resources as indicated by exploration or nomination;

(F) laws, goals, and policies of affected States which have been specifically identified by the Governors of such States as relevant matters for the Secretary's consideration;

(G) the relative environmental sensitivity and marine productivity of different areas of the outer Continental Shelf; and

(H) relevant environmental and predictive information for different areas of the outer Continental Shelf.

(3) The Secretary shall select the timing and location of leasing, to the maximum extent practicable, so as to obtain a proper balance between the potential for environmental damage, the potential for the discovery of oil and gas, and the potential for adverse impact on the coastal zone.

(4) Leasing activities shall be conducted to assure receipt of fair market value for the lands leased and the rights conveyed by the Federal Government.

(b) The leasing program shall include estimates of the appropriations and staff required to—

(1) obtain resource information and any other information needed to prepare the leasing program required by this section;

(2) analyze and interpret the exploratory data and any other information which may be compiled under the authority of this Act;

(3) conduct environmental studies and prepare any environmental impact statement required in accordance with this Act and with section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)); and

(4) supervise operations conducted pursuant to each lease in the manner necessary to assure due diligence in the explo-

ration and development of the lease area and compliance with the requirement of applicable laws and regulations, and with the terms of the lease.

(c)(1) During the preparation of any proposed leasing program under this section, the Secretary shall invite and consider suggestions for such program from any interested Federal agency, including the Attorney General, in consultation with the Federal Trade Commission, and from the Governor of any State which may become an affected State under such proposed program. The Secretary may also invite or consider any suggestions from the executive of any affected local government in such an affected State, which have been previously submitted to the Governor of such State, and from any other person.

(2) After such preparation and at least sixty days prior to publication of a proposed leasing program in the Federal Register pursuant to paragraph (3) of this subsection, the Secretary shall submit a copy of such proposed program to the Governor of each affected State for review and comment. The Governor may solicit comments from those executives of local governments in his State which he, in his discretion, determines will be affected by the proposed program. If any comment by such Governor is received by the Secretary at least fifteen days prior to submission to the Congress pursuant to such paragraph (3) and includes a request for any modification of such proposed program, the Secretary shall reply in writing, granting or denying such request in whole or in part, or granting such request in such modified form as the Secretary considers appropriate, and stating his reasons therefor. All such correspondence between the Secretary and Governor of any affected State, together with any additional information and data relating thereto, shall accompany such proposed program when it is submitted to the Congress.

(3) Within nine months after the date of enactment of this section, the Secretary shall submit a proposed leasing program to the Congress, the Attorney General, and the Governors of affected States, and shall publish such proposed program in the Federal Register. Each Governor shall, upon request, submit a copy of the proposed leasing program to the executive of any local government affected by the proposed program.

(d)(1) Within ninety days after the date of publication of a proposed leasing program, the Attorney General may, after consultation with the Federal Trade Commission, submit comments on the anticipated effects of such proposed program upon competition. Any State, local government, or other person may submit comments and recommendations as to any aspect of such proposed program.

(2) At least sixty days prior to approving a proposed leasing program, the Secretary shall submit it to the President and the Congress, together with any comments received. Such submission shall indicate why any specific recommendation of the Attorney General or a State or local government was not accepted.

(3) After the leasing program has been approved by the Secretary, or after eighteen months following the date of enactment of this section, whichever first occurs, no lease shall be issued unless it is for an area included in the approved leasing program and unless it contains provisions consistent with the approved leasing program, except that leasing shall be permitted to continue until such

program is approved and for so long thereafter as such program is under judicial or administrative review pursuant to the provisions of this Act.

(e) The Secretary shall review the leasing program approved under this section at least once each year. He may revise and reapprove such program, at any time, and such revision and reapproval, except in the case of a revision which is not significant, shall be in the same manner as originally developed.

(f) The Secretary shall, by regulation, establish procedures for—

(1) receipt and consideration of nominations for any area to be offered for lease or to be excluded from leasing;

(2) public notice of and participation in development of the leasing program;

(3) review by State and local governments which may be impacted by the proposed leasing;

(4) periodic consultation with State and local governments, oil and gas lessees and permittees, and representatives of other individuals or organizations engaged in activity in or on the outer Continental Shelf, including those involved in fish and shellfish recovery, and recreational activities; and

(5) consideration of the coastal zone management program being developed or administered by an affected coastal State pursuant to section 305 or section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1454, 1455).

Such procedures shall be applicable to any significant revision or reapproval of the leasing program.

(g) The Secretary shall not include in any leasing program under this section any area within the Atlantic Region planning areas or the Pacific Region planning areas, as such planning areas are described in the document entitled "Draft Proposed Program Outer Continental Shelf Oil and Gas Leasing Program 2019–2024", dated January 2018.

[(g)] (h) The Secretary may obtain from public sources, or purchase from private sources, any survey, data, report, or other information (including interpretations of such data, survey, report, or other information) which may be necessary to assist him in preparing any environmental impact statement and in making other evaluations required by this Act. Data of a classified nature provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as agreed to by the head of the department or agency from whom the information is requested. The Secretary shall maintain the confidentiality of all privileged or proprietary data or information for such period of time as is provided for in this Act, established by regulation, or agreed to by the parties.

[(h)] (i) The heads of all Federal departments and agencies shall provide the Secretary with any nonprivileged or nonproprietary information he requests to assist him in preparing the leasing program and may provide the Secretary with any privileged or proprietary information he requests to assist him in preparing the leasing program. Privileged or proprietary information provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as agreed to by the head of the department or agency from whom the information is requested. In addition, the Secretary shall utilize the existing capabilities and re-

sources of such Federal departments and agencies by appropriate agreement.

* * * * *

DISSENTING VIEWS

We are opposed to H.R. 1941 as ordered reported from the Committee on Natural Resources. This bill would block oil and gas lease sales in the Atlantic and Pacific planning areas in the forthcoming National Outer Continental Shelf (OCS) Program for 2019–2024.

The Bureau of Ocean Energy Management (BOEM) manages the National OCS Program, which establishes a schedule of oil and gas lease sales over a period of 5 years. BOEM is currently working under the 2017–2022 National OCS Program developed under the Obama Administration, which scheduled only 11 total lease sales in two OCS regions. In April 2017, President Trump directed BOEM to develop a new National OCS Program for 2019–2024 to expand offshore oil and gas production.¹ H.R. 1941 would prevent the Administration from conducting lease sales in the Atlantic and Pacific planning areas under the new National OCS Program.

Oil and gas leasing has not occurred in the Atlantic and Pacific planning areas since the early 1980s. Proponents of H.R. 1941 often state that tourism, commercial fishing, and recreation industries would be threatened or destroyed by the presence of offshore oil and gas operations. But a brief look at the economies of States in the Gulf of Mexico (Texas, Mississippi, Alabama, and Louisiana) easily proves that this fear is unfounded. For example, Louisiana hosts the great majority of current offshore drilling operations, but simultaneously supports one of the richest and most diverse ecosystems on the planet, attracting a plethora of marine wildlife and a booming fishing industry. Concern about compatibility with military testing and training has also been cited in discussions of opening the Atlantic and Pacific planning areas, but 36% of current oil and gas leases already have Department of Defense stipulations to accommodate military purposes. The decades-long, successful coexistence of military and drilling operations in the Gulf of Mexico demonstrates that these interests are not mutually exclusive.

Further, opponents of drilling in the Atlantic and Pacific planning areas often site concerns regarding potential impacts of seismic testing on marine life. However, there has been no documented scientific proof of marine animals being adversely impacted by the noise from air guns used in seismic activities.² According to BOEM, this technology has been in use for 30 years and no known negative effects on marine animal populations or commercial fishing have been reported in the Gulf of Mexico, where active seismic testing

¹ US Bureau of Ocean Energy Management. 2019–2024 National Outer Continental Shelf Oil and Gas Leasing. Draft Proposed Program. January 2018. <https://www.boem.gov/NP-Draft-Proposed-Program-2019-2024/>.

² U.S. Bureau of Ocean Energy Management. “Science Notes.” August 22, 2014. <https://www.boem.gov/BOEM-Science-Note-August-2014/>.

still occurs.³ We should be actively exploring all areas of the OCS to better understand our available domestic resources for future planning purposes and to strengthen our national and economic security.

This bill would also prevent the generation of billions in revenues for the U.S. Treasury and the States. Offshore oil and gas production is a major source of federal and State revenues, contributing more than \$3 billion to the Treasury and over \$200 million to the Gulf States in Fiscal Year 2018. Gulf States use their portion of revenues for programs to support conservation and coastal resiliency. This is essential for States like Louisiana who depend on healthy, stable coastlines for large sectors of its economy. Offshore energy development is also the primary funding source for the Land and Water Conservation Fund (LWCF), a program recently permanently reauthorized by Congress. It is ironic that a Democrat-sponsored bill to make LWCF expenditures permanent and mandatory was considered at the same markup as H.R. 1941, which if enacted would hamstring LWCF's main funding source.

H.R. 1941 would reduce our ability to develop our domestic energy resources, increasing our dependence on imports from foreign actors such as Saudi Arabia and Russia, whose environmental and humanitarian standards are unacceptable. This bill would take billions of dollars in revenues off the table for the States, the U.S. Treasury, and conservation programs, and prevent the creation of millions of jobs. Rather than unilaterally eliminating planning areas from consideration, we should allow the stakeholder engagement process laid out in law to take place, including thoughtful consideration of the best places and conditions to access our valuable domestic energy resources.

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³U.S. Bureau of Ocean Energy Management. "Science Notes." August 22, 2014. <https://www.boem.gov/BOEM-Science-Note-August-2014/>.