

108TH CONGRESS
2D SESSION

H. R. 4514

To provide for exploration, development, and production of oil and gas resources on the Arctic Coastal Plain of Alaska, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2004

Mr. POMBO introduced the following bill; which was referred to the Committee on Resources

A BILL

To provide for exploration, development, and production of oil and gas resources on the Arctic Coastal Plain of Alaska, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Arctic Coastal Plain
5 Domestic Energy Security Act of 2004”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) **COASTAL PLAIN.**—The term “Coastal
9 Plain” means that area identified as such in the
10 map entitled “Arctic National Wildlife Refuge”,

1 dated August 1980, as referenced in section 1002(b)
2 of the Alaska National Interest Lands Conservation
3 Act of 1980 (16 U.S.C. 3142(b)(1)), comprising ap-
4 proximately 1,549,000 acres, and as described in ap-
5 pendix I to part 37 of title 50, Code of Federal Reg-
6 ulations.

7 (2) SECRETARY.—The term “Secretary”, except
8 as otherwise provided, means the Secretary of the
9 Interior or the Secretary’s designee.

10 **SEC. 3. LEASING PROGRAM FOR LANDS WITHIN THE**
11 **COASTAL PLAIN.**

12 (a) IN GENERAL.—The Secretary shall take such ac-
13 tions as are necessary—

14 (1) to establish and implement in accordance
15 with this Act a competitive oil and gas leasing pro-
16 gram under the Mineral Leasing Act (30 U.S.C. 181
17 et seq.) that will result in an environmentally sound
18 program for the exploration, development, and pro-
19 duction of the oil and gas resources of the Coastal
20 Plain; and

21 (2) to administer the provisions of this Act
22 through regulations, lease terms, conditions, restric-
23 tions, prohibitions, stipulations, and other provisions
24 that ensure the oil and gas exploration, development,
25 and production activities on the Coastal Plain will

1 result in no significant adverse effect on fish and
2 wildlife, their habitat, subsistence resources, and the
3 environment, and including, in furtherance of this
4 goal, by requiring the application of the best com-
5 mercially available technology for oil and gas explo-
6 ration, development, and production to all explo-
7 ration, development, and production operations
8 under this Act in a manner that ensures the receipt
9 of fair market value by the public for the mineral re-
10 sources to be leased.

11 (b) REPEAL.—Section 1003 of the Alaska National
12 Interest Lands Conservation Act of 1980 (16 U.S.C.
13 3143) is repealed.

14 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
15 TAIN OTHER LAWS.—

16 (1) COMPATIBILITY.—For purposes of the Na-
17 tional Wildlife Refuge System Administration Act of
18 1966, the oil and gas leasing program and activities
19 authorized by this section in the Coastal Plain are
20 deemed to be compatible with the purposes for which
21 the Arctic National Wildlife Refuge was established,
22 and that no further findings or decisions are re-
23 quired to implement this determination.

24 (2) ADEQUACY OF THE DEPARTMENT OF THE
25 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT

1 STATEMENT.—The “Final Legislative Environ-
2 mental Impact Statement” (April 1987) on the
3 Coastal Plain prepared pursuant to section 1002 of
4 the Alaska National Interest Lands Conservation
5 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)
6 of the National Environmental Policy Act of 1969
7 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-
8 quirements under the National Environmental Policy
9 Act of 1969 that apply with respect to actions au-
10 thorized to be taken by the Secretary to develop and
11 promulgate the regulations for the establishment of
12 a leasing program authorized by this Act before the
13 conduct of the first lease sale.

14 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
15 TIONS.—Before conducting the first lease sale under
16 this Act, the Secretary shall prepare an environ-
17 mental impact statement under the National Envi-
18 ronmental Policy Act of 1969 with respect to the ac-
19 tions authorized by this Act that are not referred to
20 in paragraph (2). Notwithstanding any other law,
21 the Secretary is not required to identify nonleasing
22 alternative courses of action or to analyze the envi-
23 ronmental effects of such courses of action. The Sec-
24 retary shall only identify a preferred action for such
25 leasing and a single leasing alternative, and analyze

1 the environmental effects and potential mitigation
2 measures for those two alternatives. The identifica-
3 tion of the preferred action and related analysis for
4 the first lease sale under this Act shall be completed
5 within 18 months after the date of the enactment of
6 this Act. The Secretary shall only consider public
7 comments that specifically address the Secretary's
8 preferred action and that are filed within 20 days
9 after publication of an environmental analysis. Not-
10 withstanding any other law, compliance with this
11 paragraph is deemed to satisfy all requirements for
12 the analysis and consideration of the environmental
13 effects of proposed leasing under this Act.

14 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
15 ITY.—Nothing in this Act shall be considered to expand
16 or limit State and local regulatory authority.

17 (e) SPECIAL AREAS.—

18 (1) IN GENERAL.—The Secretary, after con-
19 sultation with the State of Alaska, the city of
20 Kaktovik, and the North Slope Borough, may des-
21 ignate up to a total of 45,000 acres of the Coastal
22 Plain as a Special Area if the Secretary determines
23 that the Special Area is of such unique character
24 and interest so as to require special management
25 and regulatory protection. The Secretary shall des-

1 designate as such a Special Area the Sadlerochit Spring
2 area, comprising approximately 4,000 acres as de-
3 picted on the map referred to in section 2(1).

4 (2) MANAGEMENT.—Each such Special Area
5 shall be managed so as to protect and preserve the
6 area’s unique and diverse character including its
7 fish, wildlife, and subsistence resource values.

8 (3) EXCLUSION FROM LEASING OR SURFACE
9 OCCUPANCY.—The Secretary may exclude any Spe-
10 cial Area from leasing. If the Secretary leases a Spe-
11 cial Area, or any part thereof, for purposes of oil
12 and gas exploration, development, production, and
13 related activities, there shall be no surface occu-
14 pancy of the lands comprising the Special Area.

15 (4) DIRECTIONAL DRILLING.—Notwithstanding
16 the other provisions of this subsection, the Secretary
17 may lease all or a portion of a Special Area under
18 terms that permit the use of horizontal drilling tech-
19 nology from sites on leases located outside the area.

20 (f) LIMITATION ON CLOSED AREAS.—The Sec-
21 retary’s sole authority to close lands within the Coastal
22 Plain to oil and gas leasing and to exploration, develop-
23 ment, and production is that set forth in this Act.

24 (g) REGULATIONS.—

1 (1) IN GENERAL.—The Secretary shall pre-
2 scribe such regulations as may be necessary to carry
3 out this Act, including rules and regulations relating
4 to protection of the fish and wildlife, their habitat,
5 subsistence resources, and environment of the Coast-
6 al Plain, by no later than 15 months after the date
7 of the enactment of this Act.

8 (2) REVISION OF REGULATIONS.—The Sec-
9 retary shall periodically review and, if appropriate,
10 revise the rules and regulations issued under sub-
11 section (a) to reflect any significant biological, envi-
12 ronmental, or engineering data that come to the Sec-
13 retary’s attention.

14 **SEC. 4. LEASE SALES.**

15 (a) IN GENERAL.—Lands may be leased pursuant to
16 this Act to any person qualified to obtain a lease for depos-
17 its of oil and gas under the Mineral Leasing Act (30
18 U.S.C. 181 et seq.).

19 (b) PROCEDURES.—The Secretary shall, by regula-
20 tion, establish procedures for—

21 (1) receipt and consideration of sealed nomina-
22 tions for any area in the Coastal Plain for inclusion
23 in, or exclusion (as provided in subsection (c)) from,
24 a lease sale;

1 (2) the holding of lease sales after such nomina-
2 tion process; and

3 (3) public notice of and comment on designa-
4 tion of areas to be included in, or excluded from, a
5 lease sale.

6 (c) LEASE SALE BIDS.—Bidding for leases under
7 this Act shall be by sealed competitive cash bonus bids.

8 (d) ACREAGE MINIMUM IN FIRST SALE.—In the first
9 lease sale under this Act, the Secretary shall offer for lease
10 those tracts the Secretary considers to have the greatest
11 potential for the discovery of hydrocarbons, taking into
12 consideration nominations received pursuant to subsection
13 (b)(1), but in no case less than 200,000 acres.

14 (e) TIMING OF LEASE SALES.—The Secretary
15 shall—

16 (1) conduct the first lease sale under this Act
17 within 22 months after the date of the enactment of
18 this Act; and

19 (2) conduct additional sales so long as sufficient
20 interest in development exists to warrant, in the Sec-
21 retary’s judgment, the conduct of such sales.

22 **SEC. 5. GRANT OF LEASES BY THE SECRETARY.**

23 (a) IN GENERAL.—The Secretary may grant to the
24 highest responsible qualified bidder in a lease sale con-
25 ducted pursuant to section 4 any lands to be leased on

1 the Coastal Plain upon payment by the lessee of such
2 bonus as may be accepted by the Secretary.

3 (b) SUBSEQUENT TRANSFERS.—No lease issued
4 under this Act may be sold, exchanged, assigned, sublet,
5 or otherwise transferred except with the approval of the
6 Secretary. Prior to any such approval the Secretary shall
7 consult with, and give due consideration to the views of,
8 the Attorney General.

9 **SEC. 6. LEASE TERMS AND CONDITIONS.**

10 (a) IN GENERAL.—An oil or gas lease issued pursu-
11 ant to this Act shall—

12 (1) provide for the payment of a royalty of not
13 less than 12½ percent in amount or value of the
14 production removed or sold from the lease, as deter-
15 mined by the Secretary under the regulations appli-
16 cable to other Federal oil and gas leases;

17 (2) provide that the Secretary may close, on a
18 seasonal basis, portions of the Coastal Plain to ex-
19 ploratory drilling activities as necessary to protect
20 caribou calving areas and other species of fish and
21 wildlife;

22 (3) require that the lessee of lands within the
23 Coastal Plain shall be fully responsible and liable for
24 the reclamation of lands within the Coastal Plain
25 and any other Federal lands that are adversely af-

1 fected in connection with exploration, development,
2 production, or transportation activities conducted
3 under the lease and within the Coastal Plain by the
4 lessee or by any of the subcontractors or agents of
5 the lessee;

6 (4) provide that the lessee may not delegate or
7 convey, by contract or otherwise, the reclamation re-
8 sponsibility and liability to another person without
9 the express written approval of the Secretary;

10 (5) provide that the standard of reclamation for
11 lands required to be reclaimed under this Act shall
12 be, as nearly as practicable, a condition capable of
13 supporting the uses which the lands were capable of
14 supporting prior to any exploration, development, or
15 production activities, or upon application by the les-
16 see, to a higher or better use as approved by the
17 Secretary;

18 (6) contain terms and conditions relating to
19 protection of fish and wildlife, their habitat, and the
20 environment as required pursuant to section 3(a)(2);

21 (7) provide that the lessee, its agents, and its
22 contractors use best efforts to provide a fair share,
23 as determined by the level of obligation previously
24 agreed to in the 1974 agreement implementing sec-
25 tion 29 of the Federal Agreement and Grant of

1 Right of Way for the Operation of the Trans-Alaska
2 Pipeline, of employment and contracting for Alaska
3 Natives and Alaska Native Corporations from
4 throughout the State;

5 (8) prohibit the export of oil produced under
6 the lease; and

7 (9) contain such other provisions as the Sec-
8 retary determines necessary to ensure compliance
9 with the provisions of this Act and the regulations
10 issued under this Act.

11 (b) PROJECT LABOR AGREEMENTS.—The Secretary,
12 as a term and condition of each lease under this Act and
13 in recognizing the Government’s proprietary interest in
14 labor stability and in the ability of construction labor and
15 management to meet the particular needs and conditions
16 of projects to be developed under the leases issued pursu-
17 ant to this Act and the special concerns of the parties to
18 such leases, shall require that the lessee and its agents
19 and contractors negotiate to obtain a project labor agree-
20 ment for the employment of laborers and mechanics on
21 production, maintenance, and construction under the
22 lease.

23 **SEC. 7. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

24 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD
25 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—

1 The Secretary shall, consistent with the requirements of
2 section 3, administer the provisions of this Act through
3 regulations, lease terms, conditions, restrictions, prohibi-
4 tions, stipulations, and other provisions that—

5 (1) ensure the oil and gas exploration, develop-
6 ment, and production activities on the Coastal Plain
7 will result in no significant adverse effect on fish
8 and wildlife, their habitat, and the environment;

9 (2) require the application of the best commer-
10 cially available technology for oil and gas explo-
11 ration, development, and production on all new ex-
12 ploration, development, and production operations;
13 and

14 (3) ensure that the maximum amount of sur-
15 face acreage covered by production and support fa-
16 cilities, including airstrips and any areas covered by
17 gravel berms or piers for support of pipelines, does
18 not exceed 2,000 acres on the Coastal Plain.

19 (b) **SITE-SPECIFIC ASSESSMENT AND MITIGATION.**—
20 The Secretary shall also require, with respect to any pro-
21 posed drilling and related activities, that—

22 (1) a site-specific analysis be made of the prob-
23 able effects, if any, that the drilling or related activi-
24 ties will have on fish and wildlife, their habitat, and
25 the environment;

1 (2) a plan be implemented to avoid, minimize,
2 and mitigate (in that order and to the extent prac-
3 ticable) any significant adverse effect identified
4 under paragraph (1); and

5 (3) the development of the plan shall occur
6 after consultation with the agency or agencies hav-
7 ing jurisdiction over matters mitigated by the plan.

8 (c) REGULATIONS TO PROTECT COASTAL PLAIN
9 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
10 AND THE ENVIRONMENT.—Before implementing the leas-
11 ing program authorized by this Act, the Secretary shall
12 prepare and promulgate regulations, lease terms, condi-
13 tions, restrictions, prohibitions, stipulations, and other
14 measures designed to ensure that the activities undertaken
15 on the Coastal Plain under this Act are conducted in a
16 manner consistent with the purposes and environmental
17 requirements of this Act.

18 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
19 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
20 proposed regulations, lease terms, conditions, restrictions,
21 prohibitions, and stipulations for the leasing program
22 under this Act shall require compliance with all applicable
23 provisions of Federal and State environmental law and
24 shall also require the following:

1 (1) Standards at least as effective as the safety
2 and environmental mitigation measures set forth in
3 items 1 through 29 at pages 167 through 169 of the
4 “Final Legislative Environmental Impact State-
5 ment” (April 1987) on the Coastal Plain.

6 (2) Seasonal limitations on exploration, develop-
7 ment, and related activities, where necessary, to
8 avoid significant adverse effects during periods of
9 concentrated fish and wildlife breeding, denning,
10 nesting, spawning, and migration.

11 (3) That exploration activities, except for sur-
12 face geological studies, be limited to the period be-
13 tween approximately November 1 and May 1 each
14 year and that exploration activities shall be sup-
15 ported by ice roads, winter trails with adequate snow
16 cover, ice pads, ice airstrips, and air transport meth-
17 ods, except that such exploration activities may
18 occur at other times, if the Secretary finds that such
19 exploration will have no significant adverse effect on
20 the fish and wildlife, their habitat, and the environ-
21 ment of the Coastal Plain.

22 (4) Design safety and construction standards
23 for all pipelines and any access and service roads,
24 that—

1 (A) minimize, to the maximum extent possible,
2 adverse effects upon the passage of migratory
3 species such as caribou; and

4 (B) minimize adverse effects upon the flow
5 of surface water by requiring the use of culverts,
6 bridges, and other structural devices.

7 (5) Prohibitions on public access and use on all
8 pipeline access and service roads.

9 (6) Stringent reclamation and rehabilitation requirements,
10 consistent with the standards set forth
11 in this Act, requiring the removal from the Coastal
12 Plain of all oil and gas development and production
13 facilities, structures, and equipment upon completion
14 of oil and gas production operations, except that the
15 Secretary may exempt from the requirements of this
16 paragraph those facilities, structures, or equipment
17 that the Secretary determines would assist in the
18 management of the Arctic National Wildlife Refuge
19 and that are donated to the United States for that
20 purpose.

21 (7) Appropriate prohibitions or restrictions on
22 access by all modes of transportation.

23 (8) Appropriate prohibitions or restrictions on
24 sand and gravel extraction.

25 (9) Consolidation of facility siting.

1 (10) Appropriate prohibitions or restrictions on
2 use of explosives.

3 (11) Avoidance, to the extent practicable, of
4 springs, streams, and river system; the protection of
5 natural surface drainage patterns, wetlands, and ri-
6 parian habitats; and the regulation of methods or
7 techniques for developing or transporting adequate
8 supplies of water for exploratory drilling.

9 (12) Avoidance or reduction of air traffic-re-
10 lated disturbance to fish and wildlife.

11 (13) Treatment and disposal of hazardous and
12 toxic wastes, solid wastes, reserve pit fluids, drilling
13 muds and cuttings, and domestic wastewater, includ-
14 ing an annual waste management report, a haz-
15 ardous materials tracking system, and a prohibition
16 on chlorinated solvents, in accordance with applica-
17 ble Federal and State environmental law.

18 (14) Fuel storage and oil spill contingency plan-
19 ning.

20 (15) Research, monitoring, and reporting re-
21 quirements.

22 (16) Field crew environmental briefings.

23 (17) Avoidance of significant adverse effects
24 upon subsistence hunting, fishing, and trapping by
25 subsistence users.

1 (18) Compliance with applicable air and water
2 quality standards.

3 (19) Appropriate seasonal and safety zone des-
4 ignations around well sites, within which subsistence
5 hunting and trapping shall be limited.

6 (20) Reasonable stipulations for protection of
7 cultural and archeological resources.

8 (21) All other protective environmental stipula-
9 tions, restrictions, terms, and conditions deemed
10 necessary by the Secretary.

11 (e) CONSIDERATIONS.—In preparing and promul-
12 gating regulations, lease terms, conditions, restrictions,
13 prohibitions, and stipulations under this section, the Sec-
14 retary shall consider the following:

15 (1) The stipulations and conditions that govern
16 the National Petroleum Reserve-Alaska leasing pro-
17 gram, as set forth in the 1999 Northeast National
18 Petroleum Reserve-Alaska Final Integrated Activity
19 Plan/Environmental Impact Statement.

20 (2) The environmental protection standards
21 that governed the initial Coastal Plain seismic explo-
22 ration program under parts 37.31 to 37.33 of title
23 50, Code of Federal Regulations.

24 (3) The land use stipulations for exploratory
25 drilling on the KIC–ASRC private lands that are set

1 forth in Appendix 2 of the August 9, 1983, agree-
2 ment between Arctic Slope Regional Corporation and
3 the United States.

4 (f) FACILITY CONSOLIDATION PLANNING.—

5 (1) IN GENERAL.—The Secretary shall, after
6 providing for public notice and comment, prepare
7 and update periodically a plan to govern, guide, and
8 direct the siting and construction of facilities for the
9 exploration, development, production, and transpor-
10 tation of Coastal Plain oil and gas resources.

11 (2) OBJECTIVES.—The plan shall have the fol-
12 lowing objectives:

13 (A) Avoiding unnecessary duplication of fa-
14 cilities and activities.

15 (B) Encouraging consolidation of common
16 facilities and activities.

17 (C) Locating or confining facilities and ac-
18 tivities to areas that will minimize impact on
19 fish and wildlife, their habitat, and the environ-
20 ment.

21 (D) Utilizing existing facilities wherever
22 practicable.

23 (E) Enhancing compatibility between wild-
24 life values and development activities.

1 (g) ACCESS TO PUBLIC LANDS.—The Secretary
2 shall—

3 (1) manage public lands in the Coastal Plain
4 subject to section subsections (a) and (b) of section
5 811 of the Alaska National Interest Lands Con-
6 servation Act (16 U.S.C. 3121); and

7 (2) ensure that local residents shall have rea-
8 sonable access to public lands in the Coastal Plain
9 for traditional uses.

10 **SEC. 8. EXPEDITED JUDICIAL REVIEW.**

11 (a) FILING OF COMPLAINT.—

12 (1) DEADLINE.—Subject to paragraph (2), any
13 complaint seeking judicial review of any provision of
14 this Act or any action of the Secretary under this
15 Act shall be filed in any appropriate district court of
16 the United States—

17 (A) except as provided in subparagraph
18 (B), within the 90-day period beginning on the
19 date of the action being challenged; or

20 (B) in the case of a complaint based solely
21 on grounds arising after such period, within 90
22 days after the complainant knew or reasonably
23 should have known of the grounds for the com-
24 plaint.

1 (2) VENUE.—Any complaint seeking judicial re-
2 view of an action of the Secretary under this Act
3 may be filed only in the United States Court of Ap-
4 peals for the District of Columbia.

5 (3) LIMITATION ON SCOPE OF CERTAIN RE-
6 VIEW.—Judicial review of a Secretarial decision to
7 conduct a lease sale under this Act, including the en-
8 vironmental analysis thereof, shall be limited to
9 whether the Secretary has complied with the terms
10 of this Act and shall be based upon the administra-
11 tive record of that decision. The Secretary's identi-
12 fication of a preferred course of action to enable
13 leasing to proceed and the Secretary's analysis of
14 environmental effects under this Act shall be pre-
15 sumed to be correct unless shown otherwise by clear
16 and convincing evidence to the contrary.

17 (b) LIMITATION ON OTHER REVIEW.—Actions of the
18 Secretary with respect to which review could have been
19 obtained under this section shall not be subject to judicial
20 review in any civil or criminal proceeding for enforcement.

21 **SEC. 9. FEDERAL AND STATE DISTRIBUTION OF REVENUES.**

22 (a) IN GENERAL.—Notwithstanding any other provi-
23 sion of law, of the amount of adjusted bonus, rental, and
24 royalty revenues from oil and gas leasing and operations
25 authorized under this Act—

1 (1) 50 percent shall be paid to the State of
2 Alaska; and

3 (2) except as provided in section 12(d) the bal-
4 ance shall be deposited into the Treasury as mis-
5 cellaneous receipts.

6 (b) PAYMENTS TO ALASKA.—Payments to the State
7 of Alaska under this section shall be made semiannually.

8 **SEC. 10. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

9 (a) EXEMPTION.—Title XI of the Alaska National In-
10 terest Lands Conservation Act of 1980 (16 U.S.C. 3161
11 et seq.) shall not apply to the issuance by the Secretary
12 under section 28 of the Mineral Leasing Act (30 U.S.C.
13 185) of rights-of-way and easements across the Coastal
14 Plain for the transportation of oil and gas.

15 (b) TERMS AND CONDITIONS.—The Secretary shall
16 include in any right-of-way or easement referred to in sub-
17 section (a) such terms and conditions as may be necessary
18 to ensure that transportation of oil and gas does not result
19 in a significant adverse effect on the fish and wildlife, sub-
20 sistence resources, their habitat, and the environment of
21 the Coastal Plain, including requirements that facilities be
22 sited or designed so as to avoid unnecessary duplication
23 of roads and pipelines.

24 (c) REGULATIONS.—The Secretary shall include in
25 regulations under section 3(g) provisions granting rights-

1 of-way and easements described in subsection (a) of this
2 section.

3 **SEC. 11. CONVEYANCE.**

4 In order to maximize Federal revenues by removing
5 clouds on title to lands and clarifying land ownership pat-
6 terns within the Coastal Plain, the Secretary, notwith-
7 standing the provisions of section 1302(h)(2) of the Alas-
8 ka National Interest Lands Conservation Act (16 U.S.C.
9 3192(h)(2)), shall convey—

10 (1) to the Kaktovik Inupiat Corporation the
11 surface estate of the lands described in paragraph 1
12 of Public Land Order 6959, to the extent necessary
13 to fulfill the Corporation's entitlement under section
14 12 of the Alaska Native Claims Settlement Act (43
15 U.S.C. 1611) in accordance with the terms and con-
16 ditions of the Agreement between the Department of
17 the Interior, the United States Fish and Wildlife
18 Service, the Bureau of Land Management, and the
19 Kaktovik Inupiat Corporation effective January 22,
20 1993; and

21 (2) to the Arctic Slope Regional Corporation
22 the remaining subsurface estate to which it is enti-
23 tled pursuant to the August 9, 1983, agreement be-
24 tween the Arctic Slope Regional Corporation and the
25 United States of America.

1 **SEC. 12. LOCAL GOVERNMENT IMPACT AID AND COMMU-**
2 **NITY SERVICE ASSISTANCE.**

3 (a) **FINANCIAL ASSISTANCE AUTHORIZED.**—

4 (1) **IN GENERAL.**—The Secretary may use
5 amounts available from the Coastal Plain Local Gov-
6 ernment Impact Aid Assistance Fund established by
7 subsection (d) to provide timely financial assistance
8 to entities that are eligible under paragraph (2) and
9 that are directly impacted by the exploration for or
10 production of oil and gas on the Coastal Plain under
11 this Act.

12 (2) **ELIGIBLE ENTITIES.**—The North Slope
13 Borough, Kaktovik, and other boroughs, municipal
14 subdivisions, villages, and any other community or-
15 ganized under Alaska State law shall be eligible for
16 financial assistance under this section.

17 (b) **USE OF ASSISTANCE.**—Financial assistance
18 under this section may be used only for—

19 (1) planning for mitigation of the potential ef-
20 fects of oil and gas exploration and development on
21 environmental, social, cultural, recreational and sub-
22 sistence values;

23 (2) implementing mitigation plans and main-
24 taining mitigation projects;

25 (3) developing, carrying out, and maintaining
26 projects and programs that provide new or expanded

1 public facilities and services to address needs and
2 problems associated with such effects, including fire-
3 fighting, police, water, waste treatment, medivac,
4 and medical services; and

5 (4) establishment of a coordination office, by
6 the North Slope Borough, in the City of Kaktovik,
7 which shall—

8 (A) coordinate with and advise developers
9 on local conditions, impact, and history of the
10 areas utilized for development; and

11 (B) provide to the Committee on Resources
12 of the House of Representatives and the Com-
13 mittee on Energy and Resources of the Senate
14 an annual report on the status of coordination
15 between developers and the communities af-
16 fected by development.

17 (c) APPLICATION.—

18 (1) IN GENERAL.—Any community that is eligi-
19 ble for assistance under this section may submit an
20 application for such assistance to the Secretary, in
21 such form and under such procedures as the Sec-
22 retary may prescribe by regulation.

23 (2) NORTH SLOPE BOROUGH COMMUNITIES.—A
24 community located in the North Slope Borough may
25 apply for assistance under this section either directly

1 to the Secretary or through the North Slope Bor-
2 ough.

3 (3) APPLICATION ASSISTANCE.—The Secretary
4 shall work closely with and assist the North Slope
5 Borough and other communities eligible for assist-
6 ance under this section in developing and submitting
7 applications for assistance under this section.

8 (d) ESTABLISHMENT OF FUND.—

9 (1) IN GENERAL.—There is established in the
10 Treasury the Coastal Plain Local Government Im-
11 pact Aid Assistance Fund.

12 (2) USE.—Amounts in the fund may be used
13 only for providing financial assistance under this
14 section.

15 (3) DEPOSITS.—Subject to paragraph (4), there
16 shall be deposited into the fund amounts received by
17 the United States as revenues derived from rents,
18 bonuses, and royalties under on leases and lease
19 sales authorized under this Act.

20 (4) LIMITATION ON DEPOSITS.—The total
21 amount in the fund may not exceed \$11,000,000.

22 (5) INVESTMENT OF BALANCES.—The Sec-
23 retary of the Treasury shall invest amounts in the
24 fund in interest bearing government securities.

1 (e) AUTHORIZATION OF APPROPRIATIONS.—To pro-
2 vide financial assistance under this section there is author-
3 ized to be appropriated to the Secretary from the Coastal
4 Plain Local Government Impact Aid Assistance Fund
5 \$5,000,000 for each fiscal year.

○