113TH CONGRESS
1ST SESSION

S. 199

To amend the Outer Continental Shelf Lands Act to require that oil produced from Federal leases in certain Arctic waters be transported by pipeline to onshore facilities and to provide for the sharing of certain outer Continental Shelf revenues from areas in the Alaska Adjacent Zone.

IN THE SENATE OF THE UNITED STATES

JANUARY 31, 2013

Mr. BEGICH introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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A BILL

To amend the Outer Continental Shelf Lands Act to require that oil produced from Federal leases in certain Arctic waters be transported by pipeline to onshore facilities and to provide for the sharing of certain outer Continental Shelf revenues from areas in the Alaska Adjacent Zone.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Alaska Adjacent Zone Safe Oil Transport and Revenue Sharing Act''.

SEC. 2. PRODUCTION OF OIL FROM CERTAIN ARCTIC OFFSHORE LEASES.

Section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334) is amended by adding at the end the following:

"(k) OIL TRANSPORTATION IN ARCTIC WATERS.—The Secretary shall—

"(1) require that oil produced from Federal leases in Arctic waters in the Chukchi Sea planning area, Beaufort Sea planning area, or Hope Basin planning area be transported by pipeline to onshore facilities; and

"(2) provide for, and issue appropriate permits for, the transportation of oil from Federal leases in Arctic waters in preproduction phases (including exploration) by means other than pipeline.".

SEC. 3. REVENUE SHARING FROM AREAS IN ALASKA ADJACENT ZONE.

Section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) is amended by adding at the end the following:

"(i) REVENUE SHARING FROM AREAS IN ALASKA ADJACENT ZONE.—

"(1) DEFINITIONS.—In this subsection:

"(A) COASTAL POLITICAL SUBDIVISION.—The term 'coastal political subdivision' means a county-equivalent subdivision of the State all or part of which—

"(i) lies within the coastal zone (as defined in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453)); and

"(ii) the closest point of which is not more than 300 statute miles from the geographical center of any leased tract.

"(B) DISTANCE.—The term 'distance' means minimum great circle distance.

"(C) INDIAN TRIBE.—The term 'Indian tribe' means an Alaska Native entity recognized and eligible to receive services from the Bureau of Indian Affairs, the headquarters of which is located within 300 miles of the geographical center of a leased tract.

"(D) LEASED TRACT.—The term 'leased tract' means a tract leased under this Act for the purpose of drilling for, developing, and producing oil or natural gas resources.

"(E) RENEWABLE ENERGY.—The term 'renewable energy' means solar, wind, ocean, current, wave, tidal, or geothermal energy.

"(F) STATE.—The term 'State' means the State of Alaska.

"(2) REVENUE SHARING.—Subject to paragraphs (3), (4), and (5), effective beginning on the date of enactment of this subsection, the State shall, without further appropriation or action, receive 37.5 percent of all revenues derived from all rentals, royalties, bonus bids, and other sums due and payable to the United States from energy development in any area of the Alaska Adjacent Zone, including from all sources of renewable energy leased, developed, or produced in any area in the Alaska Adjacent Zone.

"(3) ALLOCATION AMONG COASTAL POLITICAL SUBDIVISIONS OF THE STATE.—

"(A) IN GENERAL.—The Secretary shall pay 25 percent of any allocable share of the State, as determined under paragraph (2), directly to coastal political subdivisions.

"(B) ALLOCATION.—

"(i) IN GENERAL.—For each leased tract used to calculate the allocation of the State, the Secretary shall pay the coastal political subdivisions within 300 miles of the geographical center of the leased tract based on the relative distance of the coastal political subdivisions from the leased tract in accordance with this subparagraph.

"(ii) DISTANCES.—For each coastal political subdivision, the Secretary shall determine the distance between the point on the coastal political subdivision coastline closest to the geographical center of the leased tract and the geographical center of the tract.

"(iii) PAYMENTS.—The Secretary shall divide and allocate the qualified outer Continental Shelf revenues derived from the leased tract among coastal political subdivisions in amounts that are inversely proportional to the applicable distances determined under clause (ii).

"(4) ALLOCATION AMONG REGIONAL CORPORATIONS.—

"(A) IN GENERAL.—The Secretary shall pay 25 percent of any allocable share of the State, as determined under this subsection, directly to certain Regional Corporations established under section 7(a) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(a)).

"(B) ALLOCATION.—

"(i) IN GENERAL.—For each leased tract used to calculate the allocation of the State, the Secretary shall pay the Regional Corporations, after determining those Native villages within the region of the Regional Corporation which are within 300 miles of the geographical center of the leased tract based on the relative distance of such villages from the leased tract, in accordance with this paragraph.

"(ii) DISTANCES.—For each such village, the Secretary shall determine the distance between the point in the village closest to the geographical center of the leased tract and the geographical center of the tract.

"(iii) PAYMENTS.—The Secretary shall divide and allocate the qualified outer Continental Shelf revenues derived from the leased tract among the qualifying Regional Corporations in amounts that are inversely proportional to the distances of all of the Native villages within each qualifying region.

"(iv) REVENUES.—All revenues received by each Regional Corporation under clause (iii) shall be—

"(I) treated by the Regional Corporation as revenue subject to the distribution requirements of section 7(i)(1)(A) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(i)(1)(A)); and

"(II) divided annually by the Regional Corporation among all 12 Regional Corporations in accordance with section 7(i) of that Act.

"(v) FURTHER DISTRIBUTION TO VILLAGE CORPORATIONS.—A Regional Corporation receiving revenues under clause (iii) or (iv)(II) shall further distribute 50 percent of the revenues received to the Village Corporations in the region and the class of stockholders who are not residents of those villages in accordance with section 7(j) of that Act (43 U.S.C. 1606(j)).

"(5) ALLOCATION AMONG INDIAN TRIBES.—

"(A) IN GENERAL.—The Secretary shall pay 10 percent of any allocable share of the State, as determined under this subsection, directly to Indian tribes.

"(B) ALLOCATION.—

"(i) IN GENERAL.—For each leased tract used to calculate the allocation of the State, the Secretary shall pay Indian tribes based on the relative distance of the headquarters of the Indian tribes from the leased tract, in accordance with this subparagraph.

"(ii) DISTANCES.—For each Indian tribe, the Secretary shall determine the distance between the location of the headquarters of the Indian tribe and the geographical center of the tract.

"(iii) PAYMENTS.—The Secretary shall divide and allocate the qualified outer Continental Shelf revenues derived from the leased tract among the Indian tribes in amounts that are inversely proportional to the distances described in clause (ii).

"(6) CONSERVATION ROYALTY.—After making distributions under paragraph (2) and section 31, the Secretary shall, without further appropriation or action, distribute a conservation royalty equal to 15 percent of Federal royalty revenues derived from an area leased under this subsection from all areas leased under this subsection for any year, into the land and water conservation fund established under section 2 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–5) to provide financial assistance to States under section 6 of that Act (16 U.S.C. 460*l*–8).

''(7) DEFICIT REDUCTION.—After making distributions in accordance with paragraph (2) and in accordance with section 31, the Secretary shall, without further appropriation or action, distribute an amount equal to 7.5 percent of Federal royalty revenues derived from an area leased under this subsection from all areas leased under this subsection for any year, into direct Federal deficit reduction.''.

SEC. 4. IMPOSITION OF EXCISE TAX ON BITUMEN TRANSPORTED INTO THE UNITED STATES.

(a) IN GENERAL.—Subsection (a) of section 4612 of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by striking ''and natural gasoline'' and inserting '', natural gasoline, and bitumen'', and

(2) by inserting at the end the following new paragraph:

"(10) BITUMEN.—The term 'bitumen' includes diluted bitumen, bituminous mixtures, or any oil manufactured from bitumen or a bituminous mixture.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to oil and petroleum products received or entered after December 31, 2013.

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