113TH CONGRESS
2D SESSION

S. 2202

To provide for revenue sharing of qualified revenues from leases in the South Atlantic planning area, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 2, 2014

Mr. SCOTT (for himself and Mr. GRAHAM) 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 provide for revenue sharing of qualified revenues from leases in the South Atlantic planning area, and for other purposes.

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 ''Southern Energy Access Jobs Act'' or the ''SEA Jobs Act''.

SEC. 2. DEFINITIONS.

In this Act:

(1) DIRECTOR.—The term ‘‘Director’’ means the Director of the Bureau of Ocean Energy Management.

(2) INSTITUTION OF HIGHER EDUCATION.—The term ‘‘institution of higher education’’ has the meaning given the term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

(3) QUALIFIED REVENUES.—The term ‘‘qualified revenues’’ means all bonus bids, rentals and royalties (and other sums) due and payable to the United States from all leases entered into after the date of enactment of this Act that covers an area in the South Atlantic planning area.

(4) SECRETARY.—The term ‘‘Secretary’’ means the Secretary of the Interior.

(5) SOUTH ATLANTIC PLANNING AREA.—The term ‘‘South Atlantic planning area’’ means the area of the outer Continental Shelf (as defined in section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331)) that is located between the northern lateral seaward administrative boundary of the Commonwealth of Virginia and the southernmost lateral seaward administrative boundary of the State of Georgia.

(6) STATE.—The term ''State'' means any of the following States:

(A) Georgia.

(B) North Carolina.

(C) South Carolina.

(D) Virginia.

(7) WORKFORCE INVESTMENT BOARD.—The term ''workforce investment board'' means a State or local workforce investment board established under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.).

SEC. 3. ENHANCING STATE RIGHTS.

(a) IN GENERAL.—The Secretary shall promulgate regulations that establish management of the surface occupancy of each portion of the South Atlantic planning area for the applicable coastline of a State for any lease sale authorized under this Act to the effect that—

(1) the applicable State shall have sole authority to restrict or allow surface facilities above the waterline for the purpose of production of oil or gas resources in any area that is within 12 nautical miles seaward from the coastline of the State;

(2) unless permanent surface occupancy is authorized by a State, only sub-surface production facilities may be installed in areas that are located be-

tween the point that is 12 nautical miles from seaward from the coastline of the State and the point that is 20 nautical miles seaward from the coastline of the State;

(3) new offshore production facilities are encouraged and the impacts on coastal vistas are minimized, to the maximum extent practical; and

(4) onshore facilities that facilitate the development and production of the oil and gas resources of the South Atlantic planning area within 12 nautical miles seaward of the coastline of a State are allowed.

(b) TEMPORARY ACTIVITIES NOT AFFECTED.—Nothing in the regulations described in subsection (a) shall restrict, or give the States authority to restrict, temporary surface activities related to operations associated with outer Continental Shelf oil and gas leases.

SEC. 4. REINSTATEMENT OF VIRGINIA LEASE SALE 220.

Not later than 2 years after the date of enactment of this Act, the Secretary shall conduct Lease Sale 220 (as described in the notice of intent to prepare an environmental impact statement dated November 13, 2008 (73 Fed. Reg. 67201)).

SEC. 5. SOUTH CAROLINA LEASE SALE.

(a) IN GENERAL.—Notwithstanding the exclusion of the South Atlantic planning area in the outer Continental

Shelf leasing program for fiscal years 2012–2017 prepared under section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344), the Secretary shall conduct a lease sale not later than 2 years after the date of enactment of this Act in areas off the coast of the State of South Carolina—

(1) determined by the Secretary to have the most geologically promising hydrocarbon resources; and

(2) that constitute not less than 25 percent of the leasable area located within the offshore administrative boundaries of the State of South Carolina depicted in the notice entitled ''Federal Outer Continental Shelf (OCS) Administrative Boundaries Extending from the Submerged Lands Act Boundary seaward to the Limit of the United States Outer Continental Shelf'', published January 3, 2006 (71 Fed. Reg. 127).

(b) ENVIRONMENTAL IMPACT STATEMENT.—The Secretary shall complete a multisale environmental impact statement for the lease sales conducted under subsection (a) and section 4.

SEC. 6. SOUTH ATLANTIC PLANNING AREA LEASE SALES.

(a) IN GENERAL.—The Secretary shall conduct 3 lease sales in the South Atlantic planning area before June 30, 2017, in areas—

(1) to be determined by the Secretary based on—

(A) analysis by the Bureau of Ocean Energy Management; and

(B) industry nomination; and

(2) determined by the Secretary to contain the most hydrocarbon resource potential.

(b) 2017–2022 LEASING PROGRAM.—The Secretary shall—

(1) include the South Atlantic planning area in the outer Continental Shelf leasing program for fiscal years 2017–2022 prepared under section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344); and

(2) conduct 1 lease sale in the South Atlantic planning area during each year of the program, for a total of 5 lease sales.

SEC. 7. BALANCING OF MILITARY AND ENERGY PRODUCTION GOALS.

(a) IN GENERAL.—In recognition that the outer Continental Shelf oil and gas leasing program and the domestic energy resources produced under the program are integral to national security, the Secretary and the Secretary of Defense shall work jointly in implementing lease sales under this Act—

(1) to preserve the ability of the Armed Forces of the United States to maintain an optimum state of readiness through their continued use of the outer Continental Shelf; and

(2) to allow effective exploration, development, and production of the oil, gas, and renewable energy resources of the United States.

(b) PROHIBITION ON CONFLICTS WITH MILITARY OPERATIONS.—No person may engage in any exploration, development, or production of oil or natural gas on the outer Continental Shelf under a lease issued under this Act that would conflict with any military operation, as determined in accordance with—

(1) the agreement entitled ''Memorandum of Agreement between the Department of Defense and the Department of the Interior on Mutual Concerns on the Outer Continental Shelf'' signed July 20, 1983; and

(2) any revision or replacement for the agreement described in paragraph (1) that is agreed to by the Secretary of Defense and the Secretary after that date but before the date of issuance of the lease

under which the exploration, development, or production is conducted.

SEC. 8. REVENUE SHARING AND DEFICIT REDUCTION.

Notwithstanding section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338), each fiscal year the Secretary shall deposit—

(1) 37.5 percent of the qualified revenues in a special account in the Treasury, from which the Secretary shall allocate amounts in accordance with section 9;

(2) 2.5 percent of the qualified revenues in the fund established by section 10(b)(1), from which the Secretary shall allocate amounts in accordance with that section;

(3) 10 percent of the qualified revenues dedicated towards deficit reduction; and

(4) 50 percent of the qualified revenues in the general fund of the Treasury.

SEC. 9. ALLOCATION TO STATES.

(a) IN GENERAL.—Of the qualified revenues deposited in the account under section 8(1), 37.5 percent shall be distributed to each State—

(1) using the formula established under subsection (b); and

(2) in amounts that are inversely proportional to the respective distances between the point on the coastline of each State that is closest to the geographic center of the applicable leased tract and the geographic center of the leased tract.

(b) FORMULA.—The formula used to make the calculation under subsection (a) shall be—

(1) established by the Secretary by regulation; and

(2) modeled after the final rule entitled ''Allocation and Disbursement of Royalties, Rentals, and Bonuses—Oil and Gas, Offshore'', dated December 23, 2008 (73 Fed. Reg. 78622).

(c) MINIMUM ALLOCATION.—Each State shall be entitled to an amount equal to not less than 10 percent of the qualified revenues allocated under subsection (a).

(d) USE OF FUNDS.—A State receiving amounts under this section may use the amounts in accordance with State law.

SEC. 10. VETERANS JOBS GRANT PROGRAM AUTHORIZED.

(a) ESTABLISHMENT OF FUND.—

(1) IN GENERAL.—There is established in the Treasury of the United States a fund, to be known as the ''Oil and Gas Production Veterans Workforce Training Fund'' (referred to in this section as the

“Fund”), consisting of such amounts as are transferred to the Fund under section 8(2).

(2) ADMINISTRATION.—The Fund shall be administered by the Secretary to fund the grants authorized by subsection (b).

(b) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Secretary, acting through the Director, shall award grants on a competitive basis to eligible institutions of higher education and workforce investment boards to establish and fund oil and gas exploration, development, and production workforce training programs.

(2) ELIGIBILITY.—To be eligible to receive a grant under this section, an institution of higher education or workforce investment board shall—

(A) establish or expand and administer an oil and gas exploration, development, and production workforce training program; and

(B) in granting admission to applicants to the program, give priority to veterans of the Armed Forces of the United States.

(3) APPLICATION.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time, in such manner,

and accompanied by such information as the Secretary may reasonably require.

(4) LIMITATION ON ADMINISTRATIVE EXPENSES.—Not more than 0.5 percent of the amounts made available to carry out this section may be used to pay for the administrative expenses of the programs described in paragraph (1).

SEC. 11. ENHANCING GEOLOGICAL AND GEOPHYSICAL EDUCATION FOR AMERICA'S ENERGY FUTURE.

(a) IN GENERAL.—The Secretary, acting through the Director, shall partner with institutions of higher education selected under subsection (c) to facilitate the practical study of geological and geophysical sciences of areas on the Atlantic Outer Continental Shelf and elsewhere on the Continental Shelf of the United States.

(b) FOCUS.—Activities conducted by institutions of higher education under this section shall focus all geological and geophysical scientific research on obtaining a better understanding of hydrocarbon potential in the South Atlantic Planning Area while fostering the study of the geological and geophysical sciences at institutions of higher education in the United States.

(c) SELECTION OF INSTITUTIONS.—

(1) NOMINATION.—Not later than 180 days after the date of enactment of this Act, the Governor of each State may nominate for participation in a partnership—

(A) 1 institution of higher education located in the State; and

(B) 1 institution of higher education that is a historically Black college or university, as defined in section 631(a) of the Higher Education Act of 1965 (20 U.S.C. 1132(a)) located in the State.

(2) PREFERENCE.—In making nominations under paragraph (1), each Governor shall give preference to those institutions of higher education that demonstrate a vigorous rate of admissions of veterans of the Armed Forces of the United States and meet the criteria described in paragraph (3).

(3) SELECTION.—The Director shall select as a partner any institution of higher education nominated under paragraph (1) that the Director determines demonstrates excellence in 1 or more of the following criteria:

(A) Geophysical sciences curriculum.

(B) Engineering curriculum.

(C) Information technology or other technical studies related to seismic research, including data processing.

(d) RESEARCH AUTHORITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), an institution of higher education selected under subsection (c)(3) may conduct research under this section upon the expiration of the 30-day period beginning on the date the institution of higher education submits notice of the research to the South Atlantic Regional Director of the Bureau of Ocean Energy Management.

(2) PERMIT REQUIRED.—An institution of higher education may not under this section conduct research that uses solid or liquid explosives except as authorized by a permit issued by the Director.

(e) DATA.—

(1) IN GENERAL.—Geological and geophysical activities conducted under this section—

(A) shall be considered scientific research and data produced by the activities;

(B) shall not be used or shared for commercial purposes;

(C) shall not be produced for proprietary use or sale; and

(D) shall be made available by the Director to the public.

(2) SUBMISSION OF DATA TO BOEM.—Not later than 60 days after completion of initial analysis of data collected under this section by an institution of higher education selected under subsection (c)(3), the institution of higher education shall share with the Bureau of Ocean Energy Management any data collected that is requested by the Bureau of Ocean Energy Management.

(3) FEES.—The Director may not charge any fee for the provision of data produced in research under this section, other than a data reprocessing fee to pay the cost of duplicating the data.

(f) REPORT.—Not less frequently than once every 180 days, the Director shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report on the data derived from partnerships under this section.

SEC. 12. ATLANTIC REGIONAL OFFICE.

Not later than the last day of the outer Continental Shelf leasing program for fiscal years 2012–2017 prepared under section 18 of the Outer Continental Shelf

Lands Act (43 U.S.C. 1344), the Director shall establish an Atlantic regional office in an area that is—

(1) included in the outer Continental Shelf leasing program for fiscal years 2017–2022 prepared under section 18 of that Act; and

(2) determined by the Director to have the most potential resource development.

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