

114TH CONGRESS
1ST SESSION

S. 1278

To amend the Outer Continental Shelf Lands Act to provide for the conduct of certain lease sales in the Alaska outer Continental Shelf region, to make certain modifications to the North Slope Science Initiative, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 11, 2015

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

A BILL

To amend the Outer Continental Shelf Lands Act to provide for the conduct of certain lease sales in the Alaska outer Continental Shelf region, to make certain modifications to the North Slope Science Initiative, 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 “Alaska Outer Conti-
5 nental Shelf Lease Sale Act”.

1 **SEC. 2. AUTHORIZATION OF BEAUFORT AND COOK INLET**
 2 **LEASE SALES.**

3 Beginning in fiscal year 2016 and each fiscal year
 4 thereafter, the Secretary shall conduct under the Outer
 5 Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) 1
 6 or more oil and gas lease sales in—

- 7 (1) the Cook Inlet Planning Area; and
 8 (2) the portion of the Beaufort Planning Area
 9 located within 3 nautical miles of the seaward
 10 boundary of Alaska.

11 **SEC. 3. LEASE TERMS OF CERTAIN CHUKCHI AND BEAU-**
 12 **FORT LEASES.**

13 (a) IN GENERAL.—Section 8(b)(2) of the Outer Con-
 14 tinental Shelf Lands Act (43 U.S.C. 1337(b)(2)) is
 15 amended—

16 (1) in subparagraph (A), by striking “or” at
 17 the end;

18 (2) in subparagraph (B), by striking “;” and
 19 inserting “; or”; and

20 (3) by adding at the end the following:

21 “(C) in the case of an oil and gas lease in
 22 the portion of the Beaufort Planning Area or
 23 Chukchi Planning Area that is beyond 3 nau-
 24 tical miles of the seaward boundary of the State
 25 of Alaska, 20 years;”.

26 (b) EXTENSION OF EXISTING LEASES.—

1 (1) IN GENERAL.—The Secretary, with the con-
 2 sent of the holder of a covered lease described in
 3 paragraph (2), shall extend the initial term of the
 4 covered lease to 20 years.

5 (2) DESCRIPTION OF COVERED LEASE.—A cov-
 6 ered lease referred to in paragraph (1) is a lease for
 7 oil and gas production in effect on the date of enact-
 8 ment of this Act that was issued under section 8 of
 9 the Outer Continental Shelf Lands Act (43 U.S.C.
 10 1337) for a portion of the Beaufort Planning Area
 11 or Chukchi Planning Area that is beyond 3 nautical
 12 miles of the seaward boundary of the State.

13 **SEC. 4. DISTRIBUTION OF REVENUE TO ALASKA.**

14 Section 9 of the Outer Continental Shelf Lands Act
 15 (43 U.S.C. 1338) is amended—

16 (1) by striking “All rentals,” and inserting the
 17 following:

18 “(a) IN GENERAL.—Except as provided in subsection
 19 (b), all rentals,”; and

20 (2) by adding at the end the following:

21 “(b) DISTRIBUTION OF REVENUE TO ALASKA.—

22 “(1) DEFINITIONS.—In this subsection:

23 “(A) COASTAL POLITICAL SUBDIVISION.—

24 The term ‘coastal political subdivision’ means a
 25 county-equivalent subdivision of the State—

1 “(i) all or part of which lies within the
 2 coastal zone of the State (as defined in
 3 section 304 of the Coastal Zone Manage-
 4 ment Act of 1972 (16 U.S.C. 1453)); and

5 “(ii)(I) the closest point of which is
 6 not more than 200 nautical miles from the
 7 geographical center of any leased tract in
 8 the Alaska outer Continental Shelf region;
 9 or

10 “(II)(aa) the closest point of which is
 11 more than 200 nautical miles from the
 12 geographical center of a leased tract in the
 13 Alaska outer Continental Shelf region; and

14 “(bb) that is determined by the State
 15 to be a significant staging area for oil and
 16 gas servicing, supply vessels, operations,
 17 suppliers, or workers.

18 “(B) INSTITUTION OF HIGHER EDU-
 19 CATION.—The term ‘institution of higher edu-
 20 cation’ has the meaning given the term in sec-
 21 tion 102 of the Higher Education Act of 1965
 22 (20 U.S.C. 1002).

23 “(C) QUALIFIED REVENUES.—

24 “(i) IN GENERAL.—The term ‘quali-
 25 fied revenues’ means all revenues derived

1 from all rentals, royalties, bonus bids, and
2 other sums due and payable to the United
3 States from energy development in the
4 Alaska outer Continental Shelf region.

5 “(ii) EXCLUSIONS.—The term ‘quali-
6 fied revenues’ does not include revenues
7 generated from leases subject to section
8 8(g).

9 “(D) STATE.—The term ‘State’ means the
10 State of Alaska.

11 “(E) WORKFORCE INVESTMENT BOARD.—
12 The term ‘workforce investment board’ means a
13 State or local workforce investment board es-
14 tablished under subtitle B of title I of the
15 Workforce Investment Act of 1998 (29 U.S.C.
16 2811 et seq.).

17 “(2) FISCAL YEARS 2016–2026.—For each of fis-
18 cal years 2016 through 2026, the Secretary shall de-
19 posit—

20 “(A) 50 percent of qualified revenues in
21 the general fund of the Treasury;

22 “(B) 27.5 percent of qualified revenues in
23 the Treasury, to be used for deficit reduction;

1 “(C) 7.5 percent of qualified revenues in a
2 special account in the Treasury, to be distrib-
3 uted by the Secretary to the State;

4 “(D) 7.5 percent of qualified revenues in a
5 special account in the Treasury, to be distrib-
6 uted by the Secretary to coastal political sub-
7 divisions;

8 “(E) 2.5 percent of qualified revenues in a
9 special account in the Treasury, to be used to
10 carry out the North Slope Science Initiative es-
11 tablished under section 6(a)(1) of the Alaska
12 Outer Continental Shelf Lease Sale Act;

13 “(F) 2.5 percent of qualified revenues in a
14 special account in the Treasury, to be used by
15 the Secretary to provide grants on a competitive
16 basis to eligible institutions of higher education
17 and workforce investment boards in the State
18 to establish and providing funding for—

19 “(i) programs to ensure an adequately
20 skilled workforce to construct, operate, or
21 maintain oil or gas pipelines; or

22 “(ii) programs to ensure an ade-
23 quately skilled workforce to operate, main-
24 tain, and perform all environmental proc-

1 esses relating to existing or future oil and
2 gas infrastructure; and

3 “(G) 2.5 percent of qualified revenues in a
4 special account in the Treasury to provide fi-
5 nancial assistance for—

6 “(i) offshore leasing and development
7 programs in the State; and

8 “(ii) the development of rights-of-way
9 for pipelines to transport oil or gas pro-
10 duced offshore through land under the ju-
11 risdiction of the Secretary in the State.

12 “(3) SUBSEQUENT FISCAL YEARS.—For fiscal
13 year 2027 and each subsequent fiscal year, the Sec-
14 retary shall deposit—

15 “(A) 50 percent of qualified revenues in
16 general fund of the Treasury;

17 “(B) 30 percent of qualified revenues in a
18 special account in the Treasury, to be distrib-
19 uted by the Secretary to the State;

20 “(C) 12.5 percent of qualified revenues in
21 the Treasury, to be used for low-income home
22 energy assistance, weatherization programs,
23 and infrastructure in the Arctic; and

1 “(D) 7.5 in a special account in the Treas-
 2 ury, to be distributed by the Secretary to coast-
 3 al political subdivisions.

4 “(4) ALLOCATION AMONG COASTAL POLITICAL
 5 SUBDIVISIONS.—Of the amount paid by the Sec-
 6 retary to coastal political subdivisions under para-
 7 graph (2)(D) or (3)(D)—

8 “(A) 90 percent shall be allocated in
 9 amounts (based on a formula established by the
 10 Secretary by regulation) that are inversely pro-
 11 portional to the respective distances between
 12 the point in each coastal political subdivision
 13 that is closest to the geographic center of the
 14 applicable leased tract and the geographic cen-
 15 ter of the leased tract; and

16 “(B) 10 percent shall be divided equally
 17 among each coastal political subdivision that—

18 “(i) is more than 200 nautical miles
 19 from the geographic center of a leased
 20 tract; and

21 “(ii) the State of Alaska determines to
 22 be a significant staging area for oil and
 23 gas servicing, supply vessels, operations,
 24 suppliers, or workers.

1 “(5) TIMING.—The amounts required to be de-
 2 posited under paragraphs (2) and (3) for the appli-
 3 cable fiscal year shall be made available in accord-
 4 ance with those paragraphs during the fiscal year
 5 immediately following the applicable fiscal year.

6 “(6) ADMINISTRATION.—Amounts made avail-
 7 able under paragraphs (2) and (3) shall—

8 “(A) be made available, without further
 9 appropriation, in accordance with this sub-
 10 section;

11 “(B) remain available until expended; and

12 “(C) be in addition to any amounts appro-
 13 priated under any other provision of law.”.

14 **SEC. 5. INCLUSION OF BEAUFORT AND CHUKCHI LEASE**
 15 **SALES IN 5-YEAR LEASING PROGRAMS.**

16 Section 18 of the Outer Continental Shelf Lands Act
 17 (43 U.S.C. 1344) is amended by adding at the end the
 18 following:

19 “(i) INCLUSION OF CERTAIN LEASE SALES.—The
 20 Secretary shall include in any leasing program prepared
 21 in accordance with this section provisions for the conduct
 22 of at least 3 lease sales in each of the Beaufort Planning
 23 Area and the Chukchi Planning Area during the term of
 24 the leasing program.”.

1 **SEC. 6. NORTH SLOPE SCIENCE INITIATIVE.**

2 Section 348 of the Energy Policy Act of 2005 (42
3 U.S.C. 15906) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1), by inserting “(re-
6 ferred to in this section as the ‘Secretary’)”
7 after “Secretary of the Interior”; and

8 (B) in paragraph (2), by inserting “(in-
9 cluding the Beaufort and Chukchi seas)” after
10 “North Slope of Alaska”;

11 (2) in subsection (b)—

12 (A) in paragraph (1), by inserting “(in-
13 cluding the Beaufort and Chukchi seas)” after
14 “North Slope”; and

15 (B) in paragraph (2), by striking “develop
16 an understanding of” and inserting “identify”;
17 and

18 (3) in subsection (c)(2), by inserting “the
19 Northwest Arctic Borough, the NANA Regional Cor-
20 poration,” after “Arctic Slope Regional Corpora-
21 tion,”.

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