

111TH CONGRESS
1ST SESSION

S. 1517

To enhance domestic energy security by increasing production from fossil-based resources in the outer Continental Shelf in an economically and environmentally responsible manner.

IN THE SENATE OF THE UNITED STATES

JULY 24, 2009

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

A BILL

To enhance domestic energy security by increasing production from fossil-based resources in the outer Continental Shelf in an economically and environmentally responsible manner.

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 “Domestic Energy Secu-
5 rity Act of 2009”.

1 **SEC. 2. MORATORIUM OF OIL AND GAS LEASING IN CER-**
 2 **TAIN AREAS OF THE GULF OF MEXICO.**

3 (a) MORATORIUM.—Section 104 of the Gulf of Mex-
 4 ico Energy Security Act of 2006 (43 U.S.C. 1331 note;
 5 Public Law 109–432) is amended—

6 (1) by striking subsection (a) and inserting the
 7 following:

8 “(a) IN GENERAL.—Except as provided in subsection
 9 (d), effective during the period beginning on the date of
 10 enactment of this Act and ending on June 30, 2022, the
 11 Secretary shall not offer for leasing, preleasing, or any re-
 12 lated activity in the Eastern Planning Area that is within
 13 45 miles of the coastline of the State of Florida.”; and

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

15 “(d) EXCEPTIONS.—

16 “(1) DEFINITIONS.—In this paragraph:

17 “(A) DESTIN DOME AREA.—The term
 18 ‘Destin Dome Area’ means the area in the Cen-
 19 tral and Eastern Planning Areas of the outer
 20 Continental Shelf identified as ‘Destin Dome
 21 (NH16–08)’ in the document entitled ‘MMS
 22 Gulf of Mexico Region Planning Areas and Ac-
 23 tive Leases’ and dated May 14, 2009.

24 “(B) PENSACOLA AREA.—The term ‘Pen-
 25 sacola Area’ means the area in the Central and
 26 Eastern Planning Areas of the outer Conti-

1 mental Shelf identified as ‘Pensacola (NH16–
2 05)’ in the document entitled ‘MMS Gulf of
3 Mexico Region Planning Areas and Active
4 Leases’ and dated May 14, 2009.

5 “(2) AUTHORIZED AREAS.—The Secretary may
6 offer for leasing any area in the Destin Dome Area
7 or the Pensacola Area.”.

8 (b) NATIONAL DEFENSE AREA.—Section 12(d) of
9 the Outer Continental Shelf Lands Act (43 U.S.C.
10 1341(d)) is amended—

11 (1) by striking “The United States” and insert-
12 ing the following:

13 “(1) IN GENERAL.—The United States”; and

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

15 “(2) REVIEW.—Annually, the Secretary of De-
16 fense shall—

17 “(A) review the areas of the outer Conti-
18 nental Shelf that have been designated as re-
19 stricted from exploration and operation to de-
20 termine whether the areas should remain under
21 restriction; and

22 “(B) based on the review under subpara-
23 graph (A), make recommendations to the Presi-
24 dent.”.

25 (c) LEASING OF MORATORIUM AREAS.—

1 (1) IN GENERAL.—As soon as practicable after
2 the date of enactment of this Act, the Secretary may
3 offer for leasing under the Outer Continental Shelf
4 Lands Act (43 U.S.C. 1331 et seq.), any areas made
5 available for leasing as a result of the amendments
6 made by subsection (a).

7 (2) ADMINISTRATION.—Notwithstanding the
8 omission of any areas made available for leasing
9 under paragraph (1) from the applicable 5-year plan
10 developed by the Secretary pursuant to section 18 of
11 the Outer Continental Shelf Lands Act (43 U.S.C.
12 1344), the Secretary may, as soon as practicable
13 after the date of enactment of this Act, amend the
14 applicable plan to include the areas.

15 (d) DISPOSITION OF QUALIFIED OUTER CONTI-
16 NENTAL SHELF REVENUES FROM MORATORIUM
17 AREAS.—

18 (1) DEFINITIONS.—In this subsection:

19 (A) GULF PRODUCING STATE.—The term
20 “Gulf producing State” means each of the
21 States of Alabama, Florida, Louisiana, Mis-
22 sissippi, and Texas.

23 (B) QUALIFIED OUTER CONTINENTAL
24 SHELF REVENUES.—The term “qualified outer
25 Continental Shelf revenues” means all rentals,

1 royalties, bonus bids, and other sums due and
2 payable to the United States from leases en-
3 tered into on or after the date of enactment of
4 this Act for any areas made available as a re-
5 sult of the amendments made by subsection (a).

6 (2) DISPOSITION.—Notwithstanding section 9
7 of the Outer Continental Shelf Lands Act (43
8 U.S.C. 1338) and subject to the other provisions of
9 his subsection, for each fiscal year, the Secretary of
10 the Treasury shall deposit 37.5 percent of qualified
11 outer Continental Shelf revenues in a special account
12 in the Treasury from which the Secretary shall dis-
13 burse 100 percent to Gulf producing States in ac-
14 cordance with paragraph (3).

15 (3) ALLOCATION.—Effective for fiscal year
16 2010 and each subsequent fiscal year, the amount
17 made available under paragraph (2) shall be allo-
18 cated to each Gulf producing State in amounts
19 (based on a formula established by the Secretary by
20 regulation) that are inversely proportional to the re-
21 spective distances between the point on the coastline
22 of each Gulf producing State that is closest to the
23 geographic center of the applicable leased tract and
24 the geographic center of the leased tract.

1 (4) CONFORMING AMENDMENT.—Section
2 105(f)(2) of the Gulf of Mexico Energy Security Act
3 of 2006 (43 U.S.C. 1331 note; Public Law 109–
4 432) is amended by striking “from any area” and
5 inserting “from—

6 “(A) any area in the Central and Eastern
7 Planning Areas of the outer Continental Shelf
8 identified as ‘2022 Moratoria Area’ in the docu-
9 ment entitled ‘P.L. 109–432’ and dated Decem-
10 ber 20, 2006; and

11 “(B) any area”.

12 (e) CONFORMING AMENDMENT.—Section 105 of the
13 Department of the Interior, Environment, and Related
14 Agencies Appropriations Act, 2006 (Public Law 109–54;
15 119 Stat. 521) (as amended by section 103(d) of the Gulf
16 of Mexico Energy Security Act of 2006 (43 U.S.C. 1331
17 note; Public Law 109–432)) is amended by inserting “and
18 any other area that the Secretary of the Interior may offer
19 for leasing, preleasing, or any related activity under sec-
20 tion 104 of that Act” after “2006”).

21 **SEC. 3. REVENUE SHARING FROM OUTER CONTINENTAL**
22 **SHELF AREAS IN CERTAIN COASTAL STATES.**

23 Section 18 of the Outer Continental Shelf Lands Act
24 (43 U.S.C. 1344) is amended by adding at the end the
25 following:

1 “(i) REVENUE SHARING FROM OUTER CONTI-
2 NENTAL SHELF AREAS IN CERTAIN COASTAL STATES.—

3 “(1) DEFINITIONS.—In this subsection through
4 subsection (j):

5 “(A) COASTAL POLITICAL SUBDIVISION.—

6 The term ‘coastal political subdivision’ of a
7 coastal State means a county-equivalent sub-
8 division of a coastal State all or part of which—

9 “(i) lies within the coastal zone (as
10 defined in section 304 of the Coastal Zone
11 Management Act of 1972 (16 U.S.C.
12 1453); and

13 “(ii) the closest point of which is not
14 more than 300 statute miles from the geo-
15 graphic center of any leased tract.

16 “(B) COASTAL STATE.—The term ‘coastal
17 State’ means a State with a coastal seaward
18 boundary within 300 statute miles distance of
19 the geographic center of a leased tract in an
20 Outer Continental Shelf planning area that—

21 “(i) as of January 1, 2000, had no oil
22 or natural gas production; and

23 “(ii) is not a Gulf producing State (as
24 defined in section 102 of the Gulf of Mex-

1 ico Energy Security Act of 2006 (43
2 U.S.C. 1331 note; Public Law 109–432)).

3 “(C) DISTANCE.—The terms ‘distance’ and
4 ‘distances’ mean minimum great circle distance
5 and distances, respectively.

6 “(D) LEASED TRACT.—The term ‘leased
7 tract’ means a tract leased under this Act for
8 the purpose of drilling for, developing, and pro-
9 ducing oil or natural gas resources.

10 “(E) OUTER CONTINENTAL SHELF
11 AREA.—The term ‘outer Continental Shelf area’
12 means—

13 “(i) any area withdrawn from dispo-
14 sition by leasing by the ‘Memorandum on
15 Withdrawal of Certain Areas of the United
16 States Outer Continental Shelf from Leas-
17 ing Disposition’, from 34 Weekly Comp.
18 Pres. Doc. 1111, dated June 12, 1998; or

19 “(ii) any area of the outer Continental
20 Shelf as to which Congress has denied the
21 use of appropriated funds or other means
22 for preleasing, leasing, or related activities.

23 “(F) SOUTHEASTERN STATE.—The term
24 ‘Southeastern State’ means each of the States

1 of Georgia, North Carolina, South Carolina,
2 and Virginia.

3 “(2) POST LEASING REVENUES.—If the Gov-
4 ernor or the Legislature of a coastal State requests
5 the Secretary to allow leasing in an outer Conti-
6 nental Shelf area and the Secretary allows the leas-
7 ing, in addition to any bonus bids, the coastal State
8 shall, without further appropriation or action, re-
9 ceive, from leasing of the area, 37.5 percent of—

10 “(A) any lease rental payments;

11 “(B) any lease royalty payments;

12 “(C) any royalty proceeds from a sale of
13 royalties taken in kind by the Secretary; and

14 “(D) any other revenues from a bidding
15 system under section 8.

16 “(3) ALLOCATION AMONG COASTAL POLITICAL
17 SUBDIVISIONS OF STATES.—

18 “(A) IN GENERAL.—The Secretary shall
19 pay 20 percent of the allocable share of each
20 coastal State, as determined under this sub-
21 section, directly to certain coastal political sub-
22 divisions of the coastal State.

23 “(B) ALLOCATION.—

24 “(i) IN GENERAL.—For each leased
25 tract used to calculate the allocation of a

1 coastal State, the Secretary shall pay the
2 coastal political subdivisions within 300
3 miles of the geographic center of the leased
4 tract based on the relative distance of such
5 coastal political subdivisions from the
6 leased tract in accordance with this sub-
7 paragraph.

8 “(ii) DISTANCES.—For each coastal
9 political subdivision described in clause (i),
10 the Secretary shall determine the distance
11 between the point on the coastal political
12 subdivision coastline closest to the geo-
13 graphic center of the leased tract and the
14 geographic center of the tract.

15 “(iii) PAYMENTS.—The Secretary
16 shall divide and allocate the qualified
17 Outer Continental Shelf revenues derived
18 from the leased tract among coastal polit-
19 ical subdivisions described in clause (i) in
20 amounts that are inversely proportional to
21 the applicable distances determined under
22 clause (ii).

23 “(4) CONSERVATION ROYALTY.—After making
24 distributions under paragraphs (1) and (2) and sec-
25 tion 31, the Secretary shall, without further appro-

1 priation or action, distribute a conservation royalty
2 equal to 12.5 percent of Federal royalty revenues de-
3 rived from an area leased under this section from all
4 areas leased under this section for any year, into the
5 land and water conservation fund established under
6 section 2 of the Land and Water Conservation Fund
7 Act of 1965 (16 U.S.C. 460l-5) to provide financial
8 assistance to States under section 6 of that Act (16
9 U.S.C. 460l-8).

10 “(5) DEFICIT REDUCTION.—

11 “(A) IN GENERAL.—After making distribu-
12 tions in accordance with paragraphs (1) and (2)
13 and in accordance with section 31, the Sec-
14 retary shall, without further appropriation or
15 action, distribute an amount equal to 50 per-
16 cent of Federal royalty revenues derived from
17 all areas leased under this section for any year,
18 into direct Federal deficit reduction.

19 “(B) BUDGETARY TREATMENT.—Any
20 amounts distributed into direct Federal deficit
21 reduction under this paragraph shall not be in-
22 cluded for purposes determining budget levels
23 under section 201 of S. Con. Res. 21 (110th
24 Congress).”.

1 **SEC. 4. REVENUE SHARING FROM AREAS IN ALASKA ADJA-**
 2 **CENT ZONE.**

3 Section 18 of the Outer Continental Shelf Lands Act
 4 (43 U.S.C. 1344) (as amended by section 3) is amended
 5 by adding at the end the following:

6 “(j) REVENUE SHARING FROM AREAS IN ALASKA
 7 ADJACENT ZONE.—

8 “(1) IN GENERAL.—Except as provided in para-
 9 graph (2), effective beginning on the date that is 5
 10 years after the date of enactment of this subsection,
 11 revenues from production that derives from an area
 12 in the Alaska Adjacent Zone shall be distributed in
 13 the same proportion and for the same uses as pro-
 14 vided in subsection (i).

15 “(2) ALLOCATION AMONG REGIONAL CORPORA-
 16 TIONS.—

17 “(A) IN GENERAL.—The Secretary shall
 18 pay 33 percent of any allocable share of the
 19 State of Alaska, as determined under this sec-
 20 tion, directly to certain Regional Corporations
 21 established under section 7(a) of the Alaska
 22 Native Claims Settlement Act (43 U.S.C.
 23 1606(a)).

24 “(B) ALLOCATION.—

25 “(i) IN GENERAL.—For each leased
 26 tract used to calculate the allocation of the

1 State of Alaska, the Secretary shall pay
2 the Regional Corporations, after deter-
3 mining those Native villages within the re-
4 gion of the Regional Corporation which are
5 within 300 miles of the geographic center
6 of the leased tract based on the relative
7 distance of such villages from the leased
8 tract, in accordance with this paragraph.

9 “(ii) DISTANCES.—For each such vil-
10 lage, the Secretary shall determine the dis-
11 tance between the point in the village clos-
12 est to the geographic center of the leased
13 tract and the geographic center of the
14 tract.

15 “(iii) PAYMENTS.—The Secretary
16 shall divide and allocate the qualified
17 Outer Continental Shelf revenues derived
18 from the leased tract among the qualifying
19 Regional Corporations in amounts that are
20 inversely proportional to the distances of
21 all of the Native villages within each quali-
22 fying region.

23 “(iv) REVENUES.—All revenues re-
24 ceived by each Regional Corporation shall
25 be—

1 “(I) treated by the Regional Cor-
 2 poration as revenue subject to the dis-
 3 tribution requirements of section
 4 7(i)(1)(A) of the Alaska Native
 5 Claims Settlement Act (43 U.S.C.
 6 1606(i)(1)(A)); and

7 “(II) divided annually by the Re-
 8 gional Corporation among all 12 Re-
 9 gional Corporations in accordance
 10 with section 7(i) of that Act.

11 “(v) FURTHER DISTRIBUTION.—A Re-
 12 gional Corporation receiving revenues
 13 under clause (iv)(II) shall further dis-
 14 tribute 50 percent of the revenues received
 15 in accordance with section 7(j) of the Alas-
 16 ka Native Claims Settlement Act (43
 17 U.S.C. 1606(j)).”.

18 **SEC. 5. PRODUCTION OF OIL FROM CERTAIN ARCTIC OFF-**
 19 **SHORE LEASES.**

20 Section 5 of the Outer Continental Shelf Lands Act
 21 (43 U.S.C. 1334) is amended by adding at the end the
 22 following:

23 “(k) OIL TRANSPORTATION IN ARCTIC WATERS.—
 24 The Secretary shall—

1 (1) engage in any transaction necessary for the
 2 exploration for and extraction of hydrocarbon re-
 3 sources from any portion of any foreign exclusive
 4 economic zone that is contiguous to the exclusive
 5 economic zone of the United States; and

6 (2) export without license authority all equip-
 7 ment necessary for the exploration for or extraction
 8 of hydrocarbon resources described in paragraph (1).

9 **SEC. 7. TRAVEL IN CONNECTION WITH AUTHORIZED HY-**
 10 **DROCARBON EXPLORATION AND EXTRAC-**
 11 **TION ACTIVITIES.**

12 Section 910 of the Trade Sanctions Reform and Ex-
 13 port Enhancement Act of 2000 (22 U.S.C. 7209) is
 14 amended by adding at the end the following:

15 “(c) GENERAL LICENSE AUTHORITY FOR TRAVEL-
 16 RELATED EXPENDITURES BY PERSONS ENGAGING IN
 17 HYDROCARBON EXPLORATION AND EXTRACTION ACTIVI-
 18 TIES.—

19 “(1) IN GENERAL.—The Secretary of the
 20 Treasury shall authorize under a general license the
 21 travel-related transactions listed in section
 22 515.560(e) of title 31, Code of Federal Regulations,
 23 for travel to, from, or within Cuba in connection
 24 with exploration for and the extraction of hydro-
 25 carbon resources in any part of a foreign maritime

1 Exclusive Economic Zone that is contiguous to the
2 United States' Exclusive Economic Zone.

3 “(2) PERSONS AUTHORIZED.—Persons author-
4 ized to travel to Cuba under this section include full-
5 time employees, executives, agents, and consultants
6 of oil and gas producers, distributors, and ship-
7 pers.”.

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