

Calendar No. 430116TH CONGRESS
2^D SESSION**S. 2418**

To amend the Gulf of Mexico Energy Security Act of 2006 to modify a definition and the disposition and authorized uses of qualified outer Continental Shelf revenues under that Act and to exempt State and county payments under that Act from sequestration, to provide for the distribution of certain outer Continental Shelf revenues to the State of Alaska, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2019

Mr. CASSIDY (for himself, Ms. MURKOWSKI, Mr. KENNEDY, Mr. WICKER, Mr. JONES, Mr. SULLIVAN, and Mrs. HYDE-SMITH) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

FEBRUARY 25, 2020

Reported by Ms. MURKOWSKI, with amendments

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To amend the Gulf of Mexico Energy Security Act of 2006 to modify a definition and the disposition and authorized uses of qualified outer Continental Shelf revenues under that Act and to exempt State and county payments under that Act from sequestration, to provide for the distribution of certain outer Continental Shelf revenues to the State 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
 5 “Conservation Of America’s Shoreline Terrain and Aquat-
 6 ic Life Act” or the “COASTAL Act”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for
 8 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—GULF OF MEXICO OUTER CONTINENTAL SHELF
 REVENUES**

Sec. 101. Definition of qualified outer Continental Shelf revenues.

Sec. 102. Disposition of qualified outer Continental Shelf revenues.

Sec. 103. Exemption of certain payments from sequestration.

TITLE II—ALASKA OUTER CONTINENTAL SHELF REVENUES

Sec. 201. Definitions.

Sec. 202. Disposition of qualified revenues in Alaska.

TITLE III—STATE MINERAL REVENUE PROTECTION

Sec. 301. *Elimination of administrative fee.*

9 **TITLE I—GULF OF MEXICO**
 10 **OUTER CONTINENTAL SHELF**
 11 **REVENUES**

12 **SEC. 101. DEFINITION OF QUALIFIED OUTER CONTINENTAL**
 13 **SHELF REVENUES.**

14 Section 102(9)(A) of the Gulf of Mexico Energy Se-
 15 curity Act of 2006 (43 U.S.C. 1331 note; Public Law
 16 109–432) is amended—

17 (1) in clause (i)(II), by striking “and” after the
 18 semicolon;

1 (2) in clause (ii)—

2 (A) in the matter preceding subclause (I),
3 by striking “fiscal year 2017 and each fiscal
4 year thereafter” and inserting “each of fiscal
5 years 2017 through 2019”; and

6 (B) in subclause (III), by striking the pe-
7 riod and inserting “; and”; and

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

9 “(iii) in the case of fiscal year 2020
10 and each fiscal year thereafter, all rentals,
11 royalties, bonus bids, and other sums due
12 and payable to the United States received
13 on or after October 1, 2019, from leases
14 entered into on or after October 1, 2000
15 for—

16 “(I) the 181 Area;

17 “(II) the 181 South Area; and

18 “(III) the 2002–2007 planning
19 area.”.

20 **SEC. 102. DISPOSITION OF QUALIFIED OUTER CONTI-**
21 **NENTAL SHELF REVENUES.**

22 (a) IN GENERAL.—Section 105(a) of the Gulf of
23 Mexico Energy Security Act of 2006 (43 U.S.C. 1331
24 note; Public Law 109–432) is amended—

1 (1) in paragraph (1), by striking “50” and in-
 2 serting “37.5”; and

3 (2) in paragraph (2)—

4 (A) in the matter preceding subparagraph
 5 (A), by striking “50” and inserting “62.5”;

6 (B) in subparagraph (A), by striking “75”
 7 and inserting “80”; and

8 (C) in subparagraph (B), by striking “25”
 9 and inserting “20”.

10 (b) ~~AUTHORIZED USES.—~~Section 105(d)(1) of the
 11 ~~Gulf of Mexico Energy Security Act of 2006 (43 U.S.C.~~
 12 ~~1331 note; Public Law 109–432)~~ is amended by adding
 13 at the end the following:

14 “(F) ~~Planning, engineering, design, con-~~
 15 ~~struction, operations, and maintenance of 1 or~~
 16 ~~more projects that are specifically authorized by~~
 17 ~~any other Act for ecosystem restoration, hurri-~~
 18 ~~cane protection, or flood damage prevention.”.~~

19 (c) ~~LIMITATIONS ON AMOUNT OF DISTRIBUTED~~
 20 ~~QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—~~

21 (b) *LIMITATIONS ON AMOUNT OF DISTRIBUTED QUALI-*
 22 *FIED OUTER CONTINENTAL SHELF REVENUES.—*Section
 23 105(f) of the Gulf of Mexico Energy Security Act of 2006
 24 (43 U.S.C. 1331 note; Public Law 109–432) is amend-
 25 ed—

1 (1) in paragraph (1)—

2 (A) by striking subparagraphs (B) and
3 (C);

4 (B) in subparagraph (A), by striking the
5 semicolon at the end and inserting a period;
6 and

7 (C) beginning in the matter preceding sub-
8 paragraph (A), by striking “exceed—” and all
9 that follows through “for each” in subpara-
10 graph (A) and inserting the following: “exceed
11 \$500,000,000 for each”; and

12 (2) in paragraph (2), by striking “2055” and
13 inserting “2019”.

14 **SEC. 103. EXEMPTION OF CERTAIN PAYMENTS FROM SE-**
15 **QUESTRATION.**

16 (a) IN GENERAL.—Section 255(g)(1)(A) of the Bal-
17 anced Budget and Emergency Deficit Control Act of 1985
18 (2 U.S.C. 905(g)(1)(A)) is amended by inserting after
19 “Payments to Social Security Trust Funds (28–0404–0–
20 1–651).” the following:

21 “Payments to States pursuant to section
22 105(a)(2)(A) of the Gulf of Mexico Energy Se-
23 curity Act of 2006 (Public Law 109–432; 43
24 U.S.C. 1331 note) (014–5535–0–2–302).”

1 (b) APPLICABILITY.—The amendment made by this
 2 section shall apply to any sequestration order issued under
 3 the Balanced Budget and Emergency Deficit Control Act
 4 of 1985 (2 U.S.C. 900 et seq.) on or after the date of
 5 enactment of this Act.

6 **TITLE II—ALASKA OUTER CONTI-** 7 **NENTAL SHELF REVENUES**

8 **SEC. 201. DEFINITIONS.**

9 In this title:

10 (1) COASTAL POLITICAL SUBDIVISION.—The
 11 term “coastal political subdivision” means—

12 (A) a county-equivalent subdivision of the
 13 State—

14 (i) all or part of which lies within the
 15 coastal zone (as defined in section 304 of
 16 the Coastal Zone Management Act of 1972
 17 (16 U.S.C. 1453)) of the State; and

18 (ii) the closest coastal point of which
 19 is not more than 200 nautical miles from
 20 the geographical center of any leased tract
 21 in the Alaska outer Continental Shelf re-
 22 gion; and

23 (B) a municipal subdivision of the State
 24 that is determined by the State to be a signifi-

1 cant staging area for oil and gas servicing, sup-
2 ply vessels, operations, suppliers, or workers.

3 (2) INSTITUTION OF HIGHER EDUCATION.—The
4 term “institution of higher education” has the
5 meaning given the term in section 102 of the Higher
6 Education Act of 1965 (20 U.S.C. 1002).

7 (3) QUALIFIED REVENUES.—

8 (A) IN GENERAL.—The term “qualified
9 revenues” means all revenues derived from all
10 rentals, royalties, bonus bids, and other sums
11 due and payable to the United States from en-
12 ergy development in the Alaska outer Conti-
13 nental Shelf region.

14 (B) EXCLUSIONS.—The term “qualified
15 revenues” does not include—

16 (i) revenues generated from leases
17 subject to section 8(g) of the Outer Conti-
18 nental Shelf Lands Act (43 U.S.C.
19 1337(g)); or

20 (ii) revenues from the forfeiture of a
21 bond or other surety securing obligations
22 other than royalties, civil penalties, or roy-
23 alties taken by the Secretary in-kind and
24 not sold.

1 (4) SECRETARY.—The term “Secretary” means
2 the Secretary of the Interior.

3 (5) STATE.—The term “State” means the State
4 of Alaska.

5 **SEC. 202. DISPOSITION OF QUALIFIED REVENUES IN ALAS-**
6 **KA.**

7 (a) IN GENERAL.—Notwithstanding section 9 of the
8 Outer Continental Shelf Lands Act (43 U.S.C. 1338) and
9 subject to the other provisions of this section, for fiscal
10 year 2021 and each fiscal year thereafter, the Secretary
11 of the Treasury shall deposit—

12 (1) 50 percent of qualified revenues in the gen-
13 eral fund of the Treasury;

14 (2) 42.5 percent of qualified revenues in a spe-
15 cial account in the Treasury, to be distributed by the
16 Secretary to the State; and

17 (3) 7.5 percent of qualified revenues in a spe-
18 cial account in the Treasury, to be distributed by the
19 Secretary to coastal political subdivisions.

20 (b) ALLOCATION AMONG COASTAL POLITICAL SUB-
21 DIVISIONS.—Of the amount paid by the Secretary to
22 coastal political subdivisions under subsection (a)(3)—

23 (1) 90 percent shall be allocated among costal
24 political subdivisions described in section 201(1)(A)
25 in amounts (based on a formula established by the

1 Secretary by regulation) that are inversely propor-
2 tional to the respective distances between the point
3 in each coastal political subdivision that is closest to
4 the geographic center of the applicable leased tract
5 and not more than 200 miles from the geographic
6 center of the leased tract; and

7 (2) 10 percent shall be divided equally among
8 each coastal political subdivision described in section
9 201(1)(B).

10 (c) TIMING.—The amounts required to be deposited
11 under subsection (a) for the applicable fiscal year shall
12 be made available in accordance with that subsection dur-
13 ing the fiscal year immediately following the applicable fis-
14 cal year.

15 (d) AUTHORIZED USES.—

16 (1) IN GENERAL.—Subject to paragraph (2),
17 the State shall use all amounts received under sub-
18 section (a)(2) in accordance with all applicable Fed-
19 eral and State laws, for 1 or more of the following
20 purposes:

21 (A) Projects and activities for the purposes
22 of coastal protection, conservation, and restora-
23 tion, including onshore infrastructure and relo-
24 cation of communities directly affected by

1 coastal erosion, melting permafrost, or climate
2 change-related losses.

3 (B) Mitigation of damage to fish, wildlife,
4 or natural resources.

5 (C) Mitigation of the impact of outer Con-
6 tinental Shelf activities through the funding of
7 onshore infrastructure projects and related
8 rights-of-way.

9 (D) Adaptation planning, vulnerability as-
10 sssments, and emergency preparedness assist-
11 ance to build healthy and resilient communities.

12 (E) Installation and operation of energy
13 systems to reduce energy costs and greenhouse
14 gas emissions compared to systems in use as of
15 the date of enactment of this Act.

16 (F) Programs at institutions of higher edu-
17 cation in the State.

18 (G) Other purposes, as determined by the
19 Governor of the State, with approval from the
20 State legislature.

21 (H) Planning assistance and the adminis-
22 trative costs of complying with this section.

23 (2) LIMITATION.—Not more than 3 percent of
24 amounts received by the State under subsection

1 (a)(2) may be used for the purposes described in
2 paragraph (1)(H).

3 (e) ADMINISTRATION.—Amounts made available
4 under paragraphs (2) and (3) of subsection (a) shall—

5 (1) be made available, without further appro-
6 priation, in accordance with this section;

7 (2) remain available until expended; and

8 (3) be in addition to any amounts appropriated
9 under any other provision of law.

10 ***TITLE III—STATE MINERAL***
11 ***REVENUE PROTECTION***

12 ***SEC. 301. ELIMINATION OF ADMINISTRATIVE FEE.***

13 (a) *IN GENERAL.*—Section 35 of the Mineral Leasing
14 Act (30 U.S.C. 191) is amended—

15 (1) in subsection (a), in the first sentence, by
16 striking “, subject to the provisions of subsection (b),”;

17 (2) by striking subsection (b);

18 (3) by redesignating subsections (c) and (d) as
19 subsections (b) and (c), respectively;

20 (4) in subsection (b)(3)(B)(ii) (as so redesign-
21 ated), by striking “subsection (d)” and inserting
22 “subsection (c)”; and

23 (5) in subsection (c)(3)(A)(ii) (as so redesign-
24 ated), by striking “subsection (c)(2)(B)” and insert-
25 ing “subsection (b)(2)(B)”.

1 **(b) CONFORMING AMENDMENTS.—**

2 **(1) Section 6(a) of the Mineral Leasing Act for**
3 **Acquired Lands (30 U.S.C. 355(a)) is amended—**

4 **(A) in the first sentence, by striking “Sub-**
5 **ject to the provisions of section 35(b) of the Min-**
6 **eral Leasing Act (30 U.S.C. 191(b)), all” and in-**
7 **serting “All”; and**

8 **(B) in the second sentence, by striking “of**
9 **the Act of February 25, 1920 (41 Stat. 450; 30**
10 **U.S.C. 191)” and inserting “of the Mineral**
11 **Leasing Act (30 U.S.C. 191)”.**

12 **(2) Section 20(a) of the Geothermal Steam Act**
13 **of 1970 (30 U.S.C. 1019(a)) is amended in the matter**
14 **preceding paragraph (1), in the second sentence, by**
15 **striking “the provisions of subsection (b) of section 35**
16 **of the Mineral Leasing Act (30 U.S.C. 191(b)) and”.**

17 **(3) Section 205(f) of the Federal Oil and Gas**
18 **Royalty Management Act of 1982 (30 U.S.C. 1735(f))**
19 **is amended by striking the fourth, fifth, and sixth**
20 **sentences.**

Calendar No. 430

116TH CONGRESS
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