

110TH CONGRESS  
2D SESSION

# H. R. 6301

To provide for exploration, development, and production activities for mineral resources on the outer Continental Shelf, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2008

Mr. PEARCE introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on the Judiciary, Science and Technology, Energy and Commerce, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide for exploration, development, and production activities for mineral resources on the outer Continental Shelf, 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 “Funding a Clean Energy Future By Bringing Lower Gas  
6 Prices for Americans Today Act of 2008”.

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

Sec. 1. Short title; table of contents.

#### TITLE I—OUTER CONTINENTAL SHELF

- Sec. 101. Policy.  
 Sec. 102. Definitions under the Submerged Lands Act.  
 Sec. 103. Seaward boundaries of States.  
 Sec. 104. Exceptions from confirmation and establishment of States' title, power, and rights.  
 Sec. 105. Definitions under the Outer Continental Shelf Lands Act.  
 Sec. 106. Determination of adjacent zones and planning areas.  
 Sec. 107. Administration of leasing.  
 Sec. 108. Grant of leases by Secretary.  
 Sec. 109. Disposition of receipts.  
 Sec. 110. Reservation of lands and rights.  
 Sec. 111. Outer Continental Shelf leasing program.  
 Sec. 112. Coordination with adjacent States.  
 Sec. 113. Environmental studies.

#### TITLE II—COASTAL PLAIN OF ALASKA

- Sec. 201. Definitions.  
 Sec. 202. Leasing program for lands within the Coastal Plain.  
 Sec. 203. Lease sales.  
 Sec. 204. Grant of leases by the Secretary.  
 Sec. 205. Lease terms and conditions.  
 Sec. 206. Coastal Plain environmental protection.  
 Sec. 207. Expedited judicial review.  
 Sec. 208. Federal and State distribution of revenues.  
 Sec. 209. Rights-of-way across the Coastal Plain.  
 Sec. 210. Conveyance.  
 Sec. 211. Local government impact aid and community service assistance.

#### TITLE III—CLEAN FUTURE-LOWER PRICES ALTERNATIVE ENERGY TRUST FUND

- Sec. 301. Clean Future-Lower Prices Alternative Energy Trust Fund.

# 1 **TITLE I—OUTER CONTINENTAL** 2 **SHELF**

## 3 **SEC. 101. POLICY.**

4 It is the policy of the United States that—

- 5 (1) the United States is blessed with abundant  
 6 energy resources on the outer Continental Shelf and  
 7 has developed a comprehensive framework of envi-  
 8 ronmental laws and regulations and fostered the de-  
 9 velopment of state-of-the-art technology that allows

1 for the responsible development of these resources  
2 for the benefit of its citizenry;

3 (2) adjacent States are required by the cir-  
4 cumstances to commit significant resources in sup-  
5 port of exploration, development, and production ac-  
6 tivities for mineral resources on the outer Conti-  
7 nental Shelf, and it is fair and proper for a portion  
8 of the receipts from such activities to be shared with  
9 Adjacent States and their local coastal governments;

10 (3) the existing laws governing the leasing and  
11 production of the mineral resources of the outer  
12 Continental Shelf have reduced the production of  
13 mineral resources, have preempted Adjacent States  
14 from being sufficiently involved in the decisions re-  
15 garding the allowance of mineral resource develop-  
16 ment, and have been harmful to the national inter-  
17 est;

18 (4) the national interest is served by granting  
19 the Adjacent States more options related to whether  
20 or not mineral leasing should occur in the outer  
21 Continental Shelf within their Adjacent Zones;

22 (5) it is not reasonably foreseeable that explo-  
23 ration of a leased tract located more than 25 miles  
24 seaward of the coastline, development and produc-  
25 tion of a natural gas discovery located more than 25

1 miles seaward of the coastline, or development and  
2 production of an oil discovery located more than 50  
3 miles seaward of the coastline will adversely affect  
4 resources near the coastline;

5 (6) transportation of oil from a leased tract  
6 might reasonably be foreseen, under limited cir-  
7 cumstances, to have the potential to adversely affect  
8 resources near the coastline if the oil is within 50  
9 miles of the coastline, but such potential to adversely  
10 affect such resources is likely no greater, and prob-  
11 ably less, than the potential impacts from tanker  
12 transportation because tanker spills usually involve  
13 large releases of oil over a brief period of time; and

14 (7) among other bodies of inland waters, the  
15 Great Lakes, Long Island Sound, Delaware Bay,  
16 Chesapeake Bay, Albemarle Sound, San Francisco  
17 Bay, and Puget Sound are not part of the outer  
18 Continental Shelf, and are not subject to leasing by  
19 the Federal Government for the exploration, develop-  
20 ment, and production of any mineral resources that  
21 might lie beneath them.

22 **SEC. 102. DEFINITIONS UNDER THE SUBMERGED LANDS**  
23 **ACT.**

24 Section 2 of the Submerged Lands Act (43 U.S.C.  
25 1301) is amended—

1           (1) in subparagraph (2) of paragraph (a) by  
2 striking all after “seaward to a line” and inserting  
3 “twelve nautical miles distant from the coast line of  
4 such State;”;

5           (2) by striking out paragraph (b) and redesignating the subsequent paragraphs in order as paragraphs (b) through (g);

8           (3) by striking the period at the end of paragraph (g) (as so redesignated) and inserting “; and”;

11           (4) by adding the following: “(i) The term ‘Secretary’ means the Secretary of the Interior.”; and

13           (5) by defining “State” as it is defined in Section 2(r) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(r)).

16 **SEC. 103. SEAWARD BOUNDARIES OF STATES.**

17           Section 4 of the Submerged Lands Act (43 U.S.C. 1312) is amended—

19           (1) in the first sentence by striking “original”,  
20 and in the same sentence by striking “three geographical” and inserting “twelve nautical”; and

22           (2) by striking all after the first sentence and inserting the following: “Extension and delineation of lateral offshore State boundaries under the provisions of this Act shall follow the lines used to deter-

1 mine the Adjacent Zones of coastal States under the  
2 Outer Continental Shelf Lands Act to the extent  
3 such lines extend twelve nautical miles for the near-  
4 est coastline.”

5 **SEC. 104. EXCEPTIONS FROM CONFIRMATION AND ESTAB-**  
6 **LISHMENT OF STATES’ TITLE, POWER, AND**  
7 **RIGHTS.**

8 Section 5 of the Submerged Lands Act (43 U.S.C.  
9 1313) is amended—

10 (1) by redesignating paragraphs (a) through (c)  
11 in order as paragraphs (1) through (3);

12 (2) by inserting “(a)” before “There is ex-  
13 cepted”; and

14 (3) by inserting at the end the following:

15 “(b) EXCEPTION OF OIL AND GAS MINERAL  
16 RIGHTS.—There is excepted from the operation of sections  
17 3 and 4 all of the oil and gas mineral rights for lands  
18 beneath the navigable waters that are located within the  
19 expanded offshore State seaward boundaries established  
20 under this Act. These oil and gas mineral rights shall re-  
21 main Federal property and shall be considered to be part  
22 of the Federal outer Continental Shelf for purposes of the  
23 Outer Continental Shelf Lands Act (43 U.S.C. 1331 et  
24 seq.) and subject to leasing under the authority of that  
25 Act and to laws applicable to the leasing of the oil and

1 gas resources of the Federal outer Continental Shelf. All  
2 existing Federal oil and gas leases within the expanded  
3 offshore State seaward boundaries shall continue un-  
4 changed by the provisions of this Act, except as otherwise  
5 provided herein. However, a State may exercise all of its  
6 sovereign powers of taxation within the entire extent of  
7 its expanded offshore State boundaries.”.

8 **SEC. 105. DEFINITIONS UNDER THE OUTER CONTINENTAL**  
9 **SHELF LANDS ACT.**

10 Section 2 of the Outer Continental Shelf Lands Act  
11 (43 U.S.C. 1331) is amended—

12 (1) by amending paragraph (f) to read as fol-  
13 lows:

14 “(f) The term ‘affected State’ means the ‘Adjacent  
15 State’.”;

16 (2) by striking the semicolon at the end of each  
17 of paragraphs (a) through (o) and inserting a pe-  
18 riod;

19 (3) by striking “; and” at the end of paragraph  
20 (p) and inserting a period;

21 (4) by adding at the end the following:

22 “(r) The term ‘Adjacent State’ means, with respect  
23 to any program, plan, lease sale, leased tract or other ac-  
24 tivity, proposed, conducted, or approved pursuant to the  
25 provisions of this Act, any State the laws of which are

1 declared, pursuant to section 4(a)(2), to be the law of the  
2 United States for the portion of the outer Continental  
3 Shelf on which such program, plan, lease sale, leased tract  
4 or activity appertains or is, or is proposed to be, con-  
5 ducted. For purposes of this paragraph, the term ‘State’  
6 includes the Commonwealth of Puerto Rico, the Common-  
7 wealth of the Northern Mariana Islands, the Virgin Is-  
8 lands, American Samoa, Guam, and the other Territories  
9 of the United States.

10 “(s) The term ‘Adjacent Zone’ means, with respect  
11 to any program, plan, lease sale, leased tract, or other ac-  
12 tivity, proposed, conducted, or approved pursuant to the  
13 provisions of this Act, the portion of the outer Continental  
14 Shelf for which the laws of a particular Adjacent State  
15 are declared, pursuant to section 4(a)(2), to be the law  
16 of the United States.

17 “(t) The term ‘miles’ means statute miles.

18 “(u) The term ‘coastline’ has the same meaning as  
19 the term ‘coast line’ as defined in section 2(c) of the Sub-  
20 merged Lands Act (43 U.S.C. 1301(c)).

21 “(v) The term ‘Neighboring State’ means a coastal  
22 State having a common boundary at the coastline with the  
23 Adjacent State.”; and

24 (5) in paragraph (a), by inserting after “con-  
25 trol” the following: “or lying within the United



1 States exclusive economic zone adjacent to the Terri-  
2 tories of the United States”.

3 **SEC. 106. DETERMINATION OF ADJACENT ZONES AND**  
4 **PLANNING AREAS.**

5 Section 4(a)(2)(A) of the Outer Continental Shelf  
6 Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the  
7 first sentence by striking “, and the President” and all  
8 that follows through the end of the sentence and inserting  
9 the following: “. The lines extending seaward and defining  
10 each State’s Adjacent Zone, and each OCS Planning Area,  
11 are as indicated on the maps for each outer Continental  
12 Shelf region entitled ‘Alaska OCS Region State Adjacent  
13 Zone and OCS Planning Areas’, ‘Pacific OCS Region  
14 State Adjacent Zones and OCS Planning Areas’, ‘Gulf of  
15 Mexico OCS Region State Adjacent Zones and OCS Plan-  
16 ning Areas’, and ‘Atlantic OCS Region State Adjacent  
17 Zones and OCS Planning Areas’, all of which are dated  
18 September 2005 and on file in the Office of the Director,  
19 Minerals Management Service.”.

20 **SEC. 107. ADMINISTRATION OF LEASING.**

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

24 “(k) VOLUNTARY PARTIAL RELINQUISHMENT OF A  
25 LEASE.—Any lessee of a producing lease may relinquish

1 to the Secretary any portion of a lease that the lessee has  
2 no interest in producing and that the Secretary finds is  
3 geologically prospective. In return for any such relinquish-  
4 ment, the Secretary shall provide to the lessee a royalty  
5 incentive for the portion of the lease retained by the lessee,  
6 in accordance with regulations promulgated by the Sec-  
7 retary to carry out this subsection. The Secretary shall  
8 publish final regulations implementing this subsection  
9 within 365 days after the date of the enactment of the  
10 Funding a Clean Energy Future By Bringing Lower Gas  
11 Prices for Americans Today Act of 2008.

12 “(1) NATURAL GAS LEASE REGULATIONS.—Not later  
13 than July 1, 2010, the Secretary shall publish a final regu-  
14 lation that shall—

15 “(1) establish procedures for entering into nat-  
16 ural gas leases;

17 “(2) ensure that natural gas leases are only  
18 available for tracts on the outer Continental Shelf  
19 that are wholly within 100 miles of the coastline  
20 within an area withdrawn from disposition by leas-  
21 ing on the day after the date of enactment of the  
22 Funding a Clean Energy Future By Bringing Lower  
23 Gas Prices for Americans Today Act of 2008;

24 “(3) provide that natural gas leases shall con-  
25 tain the same rights and obligations established for

1 oil and gas leases, except as otherwise provided in  
2 the Funding a Clean Energy Future By Bringing  
3 Lower Gas Prices for Americans Today Act of 2008;

4 “(4) provide that, in reviewing the adequacy of  
5 bids for natural gas leases, the value of any crude  
6 oil estimated to be contained within any tract shall  
7 be excluded;

8 “(5) provide that any crude oil produced from  
9 a well and reinjected into the leased tract shall not  
10 be subject to payment of royalty, and that the Sec-  
11 retary shall consider, in setting the royalty rates for  
12 a natural gas lease, the additional cost to the lessee  
13 of not producing any crude oil; and

14 “(6) provide that any Federal law that applies  
15 to an oil and gas lease on the outer Continental  
16 Shelf shall apply to a natural gas lease unless other-  
17 wise clearly inapplicable.”.

18 **SEC. 108. GRANT OF LEASES BY SECRETARY.**

19 Section 8 of the Outer Continental Shelf Lands Act  
20 (43 U.S.C. 1337) is amended—

21 (1) in subsection (a)(1) by inserting after the  
22 first sentence the following: “Further, the Secretary  
23 may grant natural gas leases in a manner similar to  
24 the granting of oil and gas leases and under the var-

1 ious bidding systems available for oil and gas  
2 leases.”;

3 (2) by adding at the end of subsection (b) the  
4 following:

5 “The Secretary may issue more than one lease for  
6 a given tract if each lease applies to a separate and dis-  
7 tinct range of vertical depths, horizontal surface area, or  
8 a combination of the two. The Secretary may issue regula-  
9 tions that the Secretary determines are necessary to man-  
10 age such leases consistent with the purposes of this Act.”;

11 (3) by amending subsection (p)(2)(B) to read  
12 as follows:

13 “(B) The Secretary shall provide for the  
14 payment to coastal states, and their local coast-  
15 al governments, of 75 percent of Federal re-  
16 cepts from projects authorized under this sec-  
17 tion located partially or completely within the  
18 area extending seaward of State submerged  
19 lands out to 4 marine leagues from the coast-  
20 line, and the payment to coastal states of 50  
21 percent of the receipts from projects completely  
22 located in the area more than 4 marine leagues  
23 from the coastline. Payments shall be based on  
24 a formula established by the Secretary by rule-  
25 making no later than 180 days after the date

1 of the enactment of the Funding a Clean En-  
2 energy Future By Bringing Lower Gas Prices for  
3 Americans Today Act of 2008 that provides for  
4 equitable distribution, based on proximity to the  
5 project, among coastal states that have coast-  
6 line that is located within 200 miles of the geo-  
7 graphic center of the project.”.

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

9 “(q) NATURAL GAS LEASES.—

10 “(1) RIGHT TO PRODUCE NATURAL GAS.—A  
11 lessee of a natural gas lease shall have the right to  
12 produce the natural gas from a field on a natural  
13 gas leased tract if the Secretary estimates that the  
14 discovered field has at least 40 percent of the eco-  
15 nomically recoverable Btu content of the field con-  
16 tained within natural gas and such natural gas is ec-  
17 onomical to produce.

18 “(2) CRUDE OIL.—A lessee of a natural gas  
19 lease may not produce crude oil from the lease un-  
20 less the Governor of the Adjacent State agrees to  
21 such production.

22 “(3) ESTIMATES OF BTU CONTENT.—The Sec-  
23 retary shall make estimates of the natural gas Btu  
24 content of discovered fields on a natural gas lease  
25 only after the completion of at least one exploration

1 well, the data from which has been tied to the re-  
2 sults of a three-dimensional seismic survey of the  
3 field. The Secretary may not require the lessee to  
4 further delineate any discovered field prior to mak-  
5 ing such estimates.

6 “(4) DEFINITION OF NATURAL GAS.—For pur-  
7 poses of a natural gas lease, natural gas means nat-  
8 ural gas and all substances produced in association  
9 with gas, including, but not limited to, hydrocarbon  
10 liquids (other than crude oil) that are obtained by  
11 the condensation of hydrocarbon vapors and sepa-  
12 rate out in liquid form from the produced gas  
13 stream.

14 “(r) REMOVAL OF RESTRICTIONS ON JOINT BIDDING  
15 IN CERTAIN AREAS OF THE OUTER CONTINENTAL  
16 SHELF.—Restrictions on joint bidders shall no longer  
17 apply to tracts located in the Alaska OCS Region. Such  
18 restrictions shall not apply to tracts in other OCS regions  
19 determined to be ‘frontier tracts’ or otherwise ‘high cost  
20 tracts’ under final regulations that shall be published by  
21 the Secretary by not later than 365 days after the date  
22 of the enactment of the Funding a Clean Energy Future  
23 By Bringing Lower Gas Prices for Americans Today Act  
24 of 2008.

1       “(s) ROYALTY SUSPENSION PROVISIONS.—After the  
2 date of the enactment of the Funding a Clean Energy Fu-  
3 ture By Bringing Lower Gas Prices for Americans Today  
4 Act of 2008, price thresholds shall apply to any royalty  
5 suspension volumes granted by the Secretary. Unless oth-  
6 erwise set by Secretary by regulation or for a particular  
7 lease sale, the price thresholds shall be \$40.50 for oil  
8 (January 1, 2006 dollars) and \$6.75 for natural gas (Jan-  
9 uary 1, 2006 dollars).

10       “(t) CONSERVATION OF RESOURCES FEES.—Not  
11 later than one year after the date of the enactment of the  
12 Funding a Clean Energy Future By Bringing Lower Gas  
13 Prices for Americans Today Act of 2008, the Secretary  
14 by regulation shall establish a conservation of resources  
15 fee for nonproducing leases that will apply to new and ex-  
16 isting leases which shall be set at \$3.75 per acre per year.  
17 This fee shall apply from and after October 1, 2008, and  
18 shall be treated as offsetting receipts.”;

19               (5) by striking subsection (a)(3)(A) and redesi-  
20 gnating the subsequent subparagraphs as subpara-  
21 graphs (A) and (B), respectively;

22               (6) in subsection (a)(3)(A) (as so redesignated)  
23 by striking “In the Western” and all that follows  
24 through “the Secretary” the first place it appears  
25 and inserting “The Secretary”; and

- 1 (7) effective October 1, 2008, in subsection  
2 (g)—
- 3 (A) by striking all after “(g)”, except para-  
4 graph (3);
- 5 (B) by striking the last sentence of para-  
6 graph (3); and
- 7 (C) by striking “(3)”.

8 **SEC. 109. DISPOSITION OF RECEIPTS.**

9 Section 9 of the Outer Continental Shelf Lands Act  
10 (43 U.S.C. 1338) is amended—

11 (1) by designating the existing text as sub-  
12 section (a);

13 (2) in subsection (a) (as so designated) by in-  
14 serting “, if not paid as otherwise provided in this  
15 title” after “receipts”; and

16 (3) by adding the following:

17 “(b) TREATMENT OF OCS RECEIPTS FROM TRACTS  
18 COMPLETELY WITHIN 100 MILES OF THE COASTLINE.—

19 “(1) DEPOSIT.—The Secretary shall deposit  
20 into a separate account in the Treasury the portion  
21 of OCS Receipts for each fiscal year that will be  
22 shared under paragraphs (2), (3), and (4).

23 “(2) PHASED-IN RECEIPTS SHARING.—



1           “(A) Beginning October 1, 2008, the Sec-  
2           retary shall share OCS Receipts derived from  
3           the following areas:

4                   “(i) Lease tracts located on portions  
5                   of the Gulf of Mexico OCS Region com-  
6                   pletely beyond 4 marine leagues from any  
7                   coastline and completely within 100 miles  
8                   of any coastline that were available for  
9                   leasing under the 2002–2007 5-Year OCS  
10                  Oil and Gas Leasing Program.

11                   “(ii) Lease tracts in production prior  
12                   to October 1, 2008, completely beyond 4  
13                   marine leagues from any coastline and  
14                   completely within 100 miles of any coast-  
15                   line located on portions of the OCS that  
16                   were not available for leasing under the  
17                   2002–2007 5-Year OCS Oil and Gas Leas-  
18                   ing Program.

19                   “(iii) Lease tracts for which leases are  
20                   issued prior to October 1, 2008, located in  
21                   the Alaska OCS Region completely beyond  
22                   4 marine leagues from any coastline and  
23                   completely within 100 miles of the coast-  
24                   line.

1           “(B) The Secretary shall share the fol-  
2           lowing percentages of OCS Receipts from the  
3           leases described in subparagraph (A) derived  
4           during the fiscal year indicated:

5                   “(i) For fiscal year 2009, 5 percent.

6                   “(ii) For fiscal year 2010, 8 percent.

7                   “(iii) For fiscal year 2011, 11 per-  
8           cent.

9                   “(iv) For fiscal year 2012, 14 percent.

10                  “(v) For fiscal year 2013, 17 percent.

11                  “(vi) For fiscal year 2014, 20 percent.

12                  “(vii) For fiscal year 2015, 23 per-  
13           cent.

14                  “(viii) For fiscal year 2016, 26 per-  
15           cent.

16                  “(ix) For fiscal year 2017, 29 percent.

17                  “(x) For fiscal year 2018, 32 percent.

18                  “(xi) For fiscal year 2019, 35 percent.

19                  “(xii) For fiscal year 2020 and each  
20           subsequent fiscal year, 37.5 percent.

21           “(C) The provisions of this paragraph shall  
22           not apply to leases that could not have been  
23           issued but for section 5(k) of this Act or section  
24           105(2) of the Funding a Clean Energy Future

1           By Bringing Lower Gas Prices for Americans  
2           Today Act of 2008.

3           “(3) IMMEDIATE RECEIPTS SHARING.—Begin-  
4           ning October 1, 2008, the Secretary shall share  
5           37.50 percent of OCS Receipts derived from all lease  
6           tracts located completely beyond 4 marine leagues  
7           from any coastline and completely within 100 miles  
8           of any coastline not included within the provisions of  
9           paragraph (2).

10           “(4) RECEIPTS SHARING FROM TRACTS WITHIN  
11           4 MARINE LEAGUES OF ANY COASTLINE.—

12           “(A) AREAS DESCRIBED IN PARAGRAPH  
13           (2).—Beginning October 1, 2008, and con-  
14           tinuing through September 30, 2010, the Sec-  
15           retary shall share 25 percent of OCS Receipts  
16           derived from all lease tracts located within 4  
17           marine leagues from any coastline within areas  
18           described in paragraph (2). For each fiscal year  
19           after September 30, 2010, the Secretary shall  
20           increase the percent shared in 5 percent incre-  
21           ments each fiscal year until the sharing rate for  
22           all lease tracts located within 4 marine leagues  
23           from any coastline within areas described in  
24           paragraph (2) becomes 75 percent.

1           “(B) AREAS NOT DESCRIBED IN PARA-  
2           GRAPH (2).—Beginning October 1, 2008, the  
3           Secretary shall share 75 percent of OCS re-  
4           ceipts derived from all lease tracts located com-  
5           pletely or partially within 4 marine leagues  
6           from any coastline within areas not described  
7           paragraph (2).

8           “(5) ALLOCATIONS.—The Secretary shall allo-  
9           cate the OCS Receipts deposited into the separate  
10          account established by paragraph (1) that are  
11          shared under paragraphs (2), (3), and (4) as follows:

12           “(A) BONUS BIDS.—Deposits derived from  
13           bonus bids from a leased tract, including inter-  
14           est thereon, shall be allocated at the end of  
15           each fiscal year to the Adjacent State.

16           “(B) ROYALTIES.—Deposits derived from  
17           royalties from a leased tract, including interest  
18           thereon, shall be allocated at the end of each  
19           fiscal year to the Adjacent State and any other  
20           producing State or States with a leased tract  
21           within its Adjacent Zone within 100 miles of its  
22           coastline that generated royalties during the fis-  
23           cal year, if the other producing or States have  
24           a coastline point within 300 miles of any por-

1           tion of the leased tract, in which case the  
2           amount allocated for the leased tract shall be—

3                   “(i) one-third to the Adjacent State;

4                   and

5                   “(ii) two-thirds to each producing  
6           State, including the Adjacent State, in-  
7           versely proportional to the distance be-  
8           tween the nearest point on the coastline of  
9           the producing State and the geographic  
10          center of the leased tract.

11          “(c) TREATMENT OF OCS RECEIPTS FROM TRACTS  
12 PARTIALLY OR COMPLETELY BEYOND 100 MILES OF THE  
13 COASTLINE.—

14               “(1) DEPOSIT.—The Secretary shall deposit  
15          into a separate account in the Treasury the portion  
16          of OCS Receipts for each fiscal year that will be  
17          shared under paragraphs (2) and (3).

18               “(2) PHASED-IN RECEIPTS SHARING.—

19                   “(A) Beginning October 1, 2008, the Sec-  
20          retary shall share OCS Receipts derived from  
21          the following areas:

22                           “(i) Lease tracts located on portions  
23                   of the Gulf of Mexico OCS Region partially  
24                   or completely beyond 100 miles of any  
25                   coastline that were available for leasing

1 under the 2002–2007 5-Year OCS Oil and  
2 Gas Leasing Program.

3 “(ii) Lease tracts in production prior  
4 to October 1, 2008, partially or completely  
5 beyond 100 miles of any coastline located  
6 on portions of the OCS that were not  
7 available for leasing under the 2002–2007  
8 5-Year OCS Oil and Gas Leasing Pro-  
9 gram.

10 “(iii) Lease tracts for which leases are  
11 issued prior to October 1, 2008, located in  
12 the Alaska OCS Region partially or com-  
13 pletely beyond 100 miles of the coastline.

14 “(B) The Secretary shall share the fol-  
15 lowing percentages of OCS Receipts from the  
16 lease tracts described in subparagraph (A) de-  
17 rived during the fiscal year indicated:

18 “(i) For fiscal year 2009, 5 percent.

19 “(ii) For fiscal year 2010, 8 percent.

20 “(iii) For fiscal year 2011, 11 per-  
21 cent.

22 “(iv) For fiscal year 2012, 14 percent.

23 “(v) For fiscal year 2013, 17 percent.

24 “(vi) For fiscal year 2014, 20 percent.

1                   “(vii) For fiscal year 2015, 23 per-  
2 cent.

3                   “(viii) For fiscal year 2016, 26 per-  
4 cent.

5                   “(ix) For fiscal year 2017, 29 percent.

6                   “(x) For fiscal year 2018, 32 percent.

7                   “(xi) For fiscal year 2019, 35 percent.

8                   “(xii) For fiscal year 2020 and each  
9 subsequent fiscal year, 37.5 percent.

10                  “(C) The provisions of this paragraph shall  
11 not apply to leases that could not have been  
12 issued but for section 5(k) of this Act or section  
13 105(2) of the Funding a Clean Energy Future  
14 By Bringing Lower Gas Prices for Americans  
15 Today Act of 2008.

16                  “(3) IMMEDIATE RECEIPTS SHARING.—Begin-  
17 ning October 1, 2008, the Secretary shall share 37.5  
18 percent of OCS Receipts derived on and after Octo-  
19 ber 1, 2008, from all lease tracts located partially or  
20 completely beyond 100 miles of any coastline not in-  
21 cluded within the provisions of paragraph (2), except  
22 that the Secretary shall only share 25 percent of  
23 such OCS Receipts derived from all such lease tracts  
24 within a State’s Adjacent Zone if no leasing is al-  
25 lowed within any portion of that State’s Adjacent

1 Zone located completely within 100 miles of any  
2 coastline.

3 “(4) ALLOCATIONS.—The Secretary shall allo-  
4 cate the OCS Receipts deposited into the separate  
5 account established by paragraph (1) that are  
6 shared under paragraphs (2) and (3) as follows:

7 “(A) BONUS BIDS.—Deposits derived from  
8 bonus bids from a leased tract, including inter-  
9 est thereon, shall be allocated at the end of  
10 each fiscal year to the Adjacent State.

11 “(B) ROYALTIES.—Deposits derived from  
12 royalties from a leased tract, including interest  
13 thereon, shall be allocated at the end of each  
14 fiscal year to the Adjacent State and any other  
15 producing State or States with a leased tract  
16 within its Adjacent Zone partially or completely  
17 beyond 100 miles of its coastline that generated  
18 royalties during the fiscal year, if the other pro-  
19 ducing State or States have a coastline point  
20 within 300 miles of any portion of the leased  
21 tract, in which case the amount allocated for  
22 the leased tract shall be—

23 “(i) one-third to the Adjacent State;  
24 and



1                   “(ii) two-thirds to each producing  
2                   State, including the Adjacent State, in-  
3                   versely proportional to the distance be-  
4                   tween the nearest point on the coastline of  
5                   the producing State and the geographic  
6                   center of the leased tract.

7                   “(d) TRANSMISSION OF ALLOCATIONS.—

8                   “(1) IN GENERAL.—Not later than 90 days  
9                   after the end of each fiscal year, the Secretary shall  
10                  transmit—

11                  “(A) to each State 60 percent of such  
12                  State’s allocations under subsections (b)(5)(A),  
13                  (b)(5)(B), (c)(4)(A), and (c)(4)(B) for the im-  
14                  mediate prior fiscal year;

15                  “(B) to each coastal county-equivalent and  
16                  municipal political subdivisions of such State a  
17                  total of 40 percent of such State’s allocations  
18                  under subsections (b)(5)(A), (b)(5)(B),  
19                  (c)(4)(A), and (c)(4)(B), together with all ac-  
20                  crued interest thereon; and

21                  “(C) the remaining allocations under sub-  
22                  sections (b)(5) and (c)(4), together with all ac-  
23                  crued interest thereon.

24                  “(2) ALLOCATIONS TO COASTAL COUNTY-  
25                  EQUIVALENT POLITICAL SUBDIVISIONS.—The Sec-

1       retary shall make an initial allocation of the OCS  
2       Receipts to be shared under paragraph (1)(B) as fol-  
3       lows:

4               “(A) 25 percent shall be allocated to coast-  
5               al county-equivalent political subdivisions that  
6               are completely more than 25 miles landward of  
7               the coastline and at least a part of which lies  
8               not more than 75 miles landward from the  
9               coastline, with the allocation among such coast-  
10              al county-equivalent political subdivisions based  
11              on population.

12             “(B) 75 percent shall be allocated to coast-  
13             al county-equivalent political subdivisions that  
14             are completely or partially less than 25 miles  
15             landward of the coastline, with the allocation  
16             among such coastal county-equivalent political  
17             subdivisions to be further allocated as follows:

18                   “(i) 25 percent shall be allocated  
19                   based on the ratio of such coastal county-  
20                   equivalent political subdivision’s population  
21                   to the coastal population of all coastal  
22                   county-equivalent political subdivisions in  
23                   the State.

24                   “(ii) 25 percent shall be allocated  
25                   based on the ratio of such coastal county-

1 equivalent political subdivision’s coastline  
2 miles to the coastline miles of all coastal  
3 county-equivalent political subdivisions in  
4 the State as calculated by the Secretary.  
5 In such calculations, coastal county-equiva-  
6 lent political subdivisions without a coast-  
7 line shall be considered to have 50 percent  
8 of the average coastline miles of the coast-  
9 al county-equivalent political subdivisions  
10 that do have coastlines.

11 “(iii) 25 percent shall be allocated to  
12 all coastal county-equivalent political sub-  
13 divisions having a coastline point within  
14 300 miles of the leased tract for which  
15 OCS Receipts are being shared based on a  
16 formula that allocates the funds based on  
17 such coastal county-equivalent political  
18 subdivision’s relative distance from the  
19 leased tract.

20 “(iv) 25 percent shall be allocated to  
21 all coastal county-equivalent political sub-  
22 divisions having a coastline point within  
23 300 miles of the leased tract for which  
24 OCS Receipts are being shared based on  
25 the relative level of outer Continental Shelf

1 oil and gas activities in a coastal political  
2 subdivision compared to the level of outer  
3 Continental Shelf activities in all coastal  
4 political subdivisions in the State. The Sec-  
5 retary shall define the term ‘outer Conti-  
6 nental Shelf oil and gas activities’ for pur-  
7 poses of this subparagraph to include, but  
8 not be limited to, construction of vessels,  
9 drillships, and platforms involved in explo-  
10 ration, production, and development on the  
11 outer Continental Shelf; support and sup-  
12 ply bases, ports, and related activities; of-  
13 fices of geologists, geophysicists, engineers,  
14 and other professionals involved in support  
15 of exploration, production, and develop-  
16 ment of oil and gas on the outer Conti-  
17 nental Shelf; pipelines and other means of  
18 transporting oil and gas production from  
19 the outer Continental Shelf; and processing  
20 and refining of oil and gas production from  
21 the outer Continental Shelf. For purposes  
22 of this subparagraph, if a coastal county-  
23 equivalent political subdivision does not  
24 have a coastline, its coastal point shall be  
25 the point on the coastline closest to it.

1           “(3) ALLOCATIONS TO COASTAL MUNICIPAL PO-  
2           LITICAL SUBDIVISIONS.—The initial allocation to  
3           each coastal county-equivalent political subdivision  
4           under paragraph (2) shall be further allocated to the  
5           coastal county-equivalent political subdivision and  
6           any coastal municipal political subdivisions located  
7           partially or wholly within the boundaries of the  
8           coastal county-equivalent political subdivision as fol-  
9           lows:

10                   “(A) One-third shall be allocated to the  
11                   coastal county-equivalent political subdivision.

12                   “(B) Two-thirds shall be allocated on a per  
13                   capita basis to the municipal political subdivi-  
14                   sions and the county-equivalent political sub-  
15                   division, with the allocation to the latter based  
16                   upon its population not included within the  
17                   boundaries of a municipal political subdivision.

18           “(e) INVESTMENT OF DEPOSITS.—Amounts depos-  
19           ited under this section shall be invested by the Secretary  
20           of the Treasury in securities backed by the full faith and  
21           credit of the United States having maturities suitable to  
22           the needs of the account in which they are deposited and  
23           yielding the highest reasonably available interest rates as  
24           determined by the Secretary of the Treasury.

1       “(f) USE OF FUNDS.—A recipient of funds under this  
2 section may use the funds for one or more of the following:

3           “(1) To reduce in-State college tuition at public  
4 institutions of higher learning and otherwise support  
5 public education, including career technical edu-  
6 cation.

7           “(2) To make transportation infrastructure im-  
8 provements.

9           “(3) To reduce taxes.

10          “(4) To promote, fund, and provide for—

11           “(A) coastal or environmental restoration;

12           “(B) fish, wildlife, and marine life habitat  
13 enhancement;

14           “(C) waterways construction and mainte-  
15 nance;

16           “(D) levee construction and maintenance  
17 and shore protection; and

18           “(E) marine and oceanographic education  
19 and research.

20          “(5) To promote, fund, and provide for—

21           “(A) infrastructure associated with energy  
22 production activities conducted on the outer  
23 Continental Shelf;

24           “(B) energy demonstration projects;

1           “(C) supporting infrastructure for shore-  
2 based energy projects;

3           “(D) State geologic programs, including  
4 geologic mapping and data storage programs,  
5 and state geophysical data acquisition;

6           “(E) State seismic monitoring programs,  
7 including operation of monitoring stations;

8           “(F) development of oil and gas resources  
9 through enhanced recovery techniques;

10          “(G) alternative energy development, in-  
11 cluding bio fuels, coal-to-liquids, oil shale, tar  
12 sands, geothermal, geopressure, wind, waves,  
13 currents, hydro, and other renewable energy;

14          “(H) energy efficiency and conservation  
15 programs; and

16          “(I) front-end engineering and design for  
17 facilities that produce liquid fuels from hydro-  
18 carbons and other biological matter.

19          “(6) To promote, fund, and provide for—

20               “(A) historic preservation programs and  
21 projects;

22               “(B) natural disaster planning and re-  
23 sponse; and

24               “(C) hurricane and natural disaster insur-  
25 ance programs.

1           “(7) For any other purpose as determined by  
2           State law.

3           “(g) NO ACCOUNTING REQUIRED.—No recipient of  
4 funds under this section shall be required to account to  
5 the Federal Government for the expenditure of such  
6 funds, except as otherwise may be required by law. How-  
7 ever, States may enact legislation providing for accounting  
8 for and auditing of such expenditures. Further, funds allo-  
9 cated under this section to States and political subdivi-  
10 sions may be used as matching funds for other Federal  
11 programs.

12           “(h) EFFECT OF FUTURE LAWS.—Enactment of any  
13 future Federal statute that has the effect, as determined  
14 by the Secretary, of restricting any Federal agency from  
15 spending appropriated funds, or otherwise preventing it  
16 from fulfilling its pre-existing responsibilities as of the  
17 date of enactment of the statute, unless such responsibil-  
18 ities have been reassigned to another Federal agency by  
19 the statute with no prevention of performance, to issue  
20 any permit or other approval impacting on the OCS oil  
21 and gas leasing program, or any lease issued thereunder,  
22 or to implement any provision of this Act shall automati-  
23 cally prohibit any sharing of OCS Receipts under this sec-  
24 tion directly with the States, and their coastal political  
25 subdivisions, for the duration of the restriction. The Sec-



1 retary shall make the determination of the existence of  
2 such restricting effects within 30 days of a petition by any  
3 outer Continental Shelf lessee or producing State.

4 “(i) TREATMENT OF REMAINING OCS RECEIPTS.—  
5 All OCS Receipts derived from lease tracts referred to in  
6 subsections (b) and (c) that are not required to be depos-  
7 ited and shared under those subsections shall be deposited  
8 into the OCS Alternative Energy Development Fund es-  
9 tablished by section 114 of the Funding a Clean Energy  
10 Future By Bringing Lower Gas Prices for Americans  
11 Today Act of 2008.

12 “(j) DEFINITIONS.—In this section:

13 “(1) COASTAL COUNTY-EQUIVALENT POLITICAL  
14 SUBDIVISION.—The term ‘coastal county-equivalent  
15 political subdivision’ means a political jurisdiction  
16 immediately below the level of State government, in-  
17 cluding a county, parish, borough in Alaska, inde-  
18 pendent municipality not part of a county, parish, or  
19 borough in Alaska, or other equivalent subdivision of  
20 a coastal State, that lies within the coastal zone.

21 “(2) COASTAL MUNICIPAL POLITICAL SUBDIVI-  
22 SION.—The term ‘coastal municipal political subdivi-  
23 sion’ means a municipality located within and part  
24 of a county, parish, borough in Alaska, or other  
25 equivalent subdivision of a State, all or part of which

1 coastal municipal political subdivision lies within the  
2 coastal zone.

3 “(3) COASTAL POPULATION.—The term ‘coastal  
4 population’ means the population of all coastal coun-  
5 ty-equivalent political subdivisions, as determined by  
6 the most recent official data of the Census Bureau.

7 “(4) COASTAL ZONE.—The term ‘coastal zone’  
8 means that portion of a coastal State, including the  
9 entire territory of any coastal county-equivalent po-  
10 litical subdivision at least a part of which lies, within  
11 75 miles landward from the coastline, or a greater  
12 distance as determined by State law enacted to im-  
13 plement this section.

14 “(5) BONUS BIDS.—The term ‘bonus bids’  
15 means all funds received by the Secretary to issue  
16 an outer Continental Shelf minerals lease.

17 “(6) ROYALTIES.—The term ‘royalties’ means  
18 all funds received by the Secretary from production  
19 of oil or natural gas, or the sale of production taken  
20 in-kind, from an outer Continental Shelf minerals  
21 lease.

22 “(7) PRODUCING STATE.—The term ‘producing  
23 State’ means an Adjacent State having an Adjacent  
24 Zone containing leased tracts from which OCS Re-  
25 ceipts were derived.

1           “(8) OCS RECEIPTS.—The term ‘OCS Receipts’  
2           means bonus bids, royalties, and conservation of re-  
3           sources fees.”.

4 **SEC. 110. RESERVATION OF LANDS AND RIGHTS.**

5           Section 12 of the Outer Continental Shelf Lands Act  
6 (43 U.S.C. 1341) is amended—

7           (1) in subsection (a) by adding at the end the  
8           following: “The President may partially or com-  
9           pletely revise or revoke any prior withdrawal made  
10          by the President under the authority of this section.  
11          The President may not revise or revoke a withdrawal  
12          that is extended by a State under subsection (h), nor  
13          may the President withdraw from leasing any area  
14          for which a State failed to prohibit, or petition to  
15          prohibit, leasing under subsection (g). Further, in  
16          the area of the outer Continental Shelf more than  
17          100 miles from any coastline, not more than 25 per-  
18          cent of the acreage of any OCS Planning Area may  
19          be withdrawn from leasing under this section at any  
20          point in time. A withdrawal by the President may be  
21          for a term not to exceed 10 years. When considering  
22          potential uses of the outer Continental Shelf, to the  
23          maximum extent possible, the President shall accom-  
24          modate competing interests and potential uses.”;

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

1           “(g) AVAILABILITY FOR LEASING WITHIN CERTAIN  
2 AREAS OF THE OUTER CONTINENTAL SHELF.—

3           “(1) PROHIBITION AGAINST LEASING.—

4                   “(A) UNAVAILABLE FOR LEASING WITH-  
5 OUT STATE REQUEST.—Except as otherwise  
6 provided in this subsection, from and after en-  
7 actment of the Funding a Clean Energy Future  
8 By Bringing Lower Gas Prices for Americans  
9 Today Act of 2008, the Secretary shall not  
10 offer for leasing for oil and gas, or natural gas,  
11 any area within 50 miles of the coastline that  
12 was withdrawn from disposition by leasing in  
13 the Atlantic OCS Region or the Pacific OCS  
14 Region, or the Gulf of Mexico OCS Region  
15 Eastern Planning Area, as depicted on the  
16 maps referred to in this subparagraph, under  
17 the ‘Memorandum on Withdrawal of Certain  
18 Areas of the United States Outer Continental  
19 Shelf from Leasing Disposition’, 34 Weekly  
20 Comp. Pres. Doc. 1111, dated June 12, 1998,  
21 or any area within 50 miles of the coastline not  
22 withdrawn under that Memorandum that is in-  
23 cluded within the Gulf of Mexico OCS Region  
24 Eastern Planning Area as indicated on the map  
25 entitled ‘Gulf of Mexico OCS Region State Ad-

1 adjacent Zones and OCS Planning Areas’ or the  
2 Florida Straits Planning Area as indicated on  
3 the map entitled ‘Atlantic OCS Region State  
4 Adjacent Zones and OCS Planning Areas’, both  
5 of which are dated September 2005 and on file  
6 in the Office of the Director, Minerals Manage-  
7 ment Service.

8 “(B) AREAS BETWEEN 50 AND 100 MILES  
9 FROM THE COASTLINE.—Unless an Adjacent  
10 State petitions under subsection (h) within one  
11 year after the date of the enactment of the  
12 Funding a Clean Energy Future By Bringing  
13 Lower Gas Prices for Americans Today Act of  
14 2008 for natural gas leasing or by June 30,  
15 2010, for oil and gas leasing, the Secretary  
16 shall offer for leasing any area more than 50  
17 miles but less than 100 miles from the coastline  
18 that was withdrawn from disposition by leasing  
19 in the Atlantic OCS Region, the Pacific OCS  
20 Region, or the Gulf of Mexico OCS Region  
21 Eastern Planning Area, as depicted on the  
22 maps referred to in this subparagraph, under  
23 the ‘Memorandum on Withdrawal of Certain  
24 Areas of the United States Outer Continental  
25 Shelf from Leasing Disposition’, 34 Weekly

1           Comp. Pres. Doc. 1111, dated June 12, 1998,  
2           or any area more than 50 miles but less than  
3           100 miles of the coastline not withdrawn under  
4           that Memorandum that is included within the  
5           Gulf of Mexico OCS Region Eastern Planning  
6           Area as indicated on the map entitled ‘Gulf of  
7           Mexico OCS Region State Adjacent Zones and  
8           OCS Planning Areas’ or within the Florida  
9           Straits Planning Area as indicated on the map  
10          entitled ‘Atlantic OCS Region State Adjacent  
11          Zones and OCS Planning Areas’, both of which  
12          are dated September 2005 and on file in the  
13          Office of the Director, Minerals Management  
14          Service.

15           “(2) REVOCATION OF WITHDRAWAL.—The pro-  
16          visions of the ‘Memorandum on Withdrawal of Cer-  
17          tain Areas of the United States Outer Continental  
18          Shelf from Leasing Disposition’, 34 Weekly Comp.  
19          Pres. Doc. 1111, dated June 12, 1998, are hereby  
20          revoked and are no longer in effect. Any tract only  
21          partially added to the Gulf of Mexico OCS Region  
22          Central Planning Area by this Act shall be eligible  
23          for leasing of the part of such tract that is included  
24          within the Gulf of Mexico OCS Region Central Plan-  
25          ning Area, and the remainder of such tract that lies

1 outside of the Gulf of Mexico OCS Region Central  
2 Planning Area may be developed and produced by  
3 the lessee of such partial tract using extended reach  
4 or similar drilling from a location on a leased area.  
5 Further, any area in the OCS withdrawn from leas-  
6 ing may be leased, and thereafter developed and pro-  
7 duced by the lessee using extended reach or similar  
8 drilling from a location on a leased area located in  
9 an area available for leasing.

10 “(3) PETITION FOR LEASING.—

11 “(A) IN GENERAL.—The Governor of the  
12 State, upon concurrence of its legislature, may  
13 submit to the Secretary a petition requesting  
14 that the Secretary make available any area that  
15 is within the State’s Adjacent Zone, included  
16 within the provisions of paragraph (1), and that  
17 (i) is greater than 25 miles from any point on  
18 the coastline of a Neighboring State for the  
19 conduct of offshore leasing, pre-leasing, and re-  
20 lated activities with respect to natural gas leas-  
21 ing; or (ii) is greater than 50 miles from any  
22 point on the coastline of a Neighboring State  
23 for the conduct of offshore leasing, pre-leasing,  
24 and related activities with respect to oil and gas  
25 leasing. The Adjacent State may also petition

1 for leasing any other area within its Adjacent  
2 Zone if leasing is allowed in the similar area of  
3 the Adjacent Zone of the applicable Neigh-  
4 boring State, or if not allowed, if the Neigh-  
5 boring State, acting through its Governor, ex-  
6 presses its concurrence with the petition. The  
7 Secretary shall only consider such a petition  
8 upon making a finding that leasing is allowed  
9 in the similar area of the Adjacent Zone of the  
10 applicable Neighboring State or upon receipt of  
11 the concurrence of the Neighboring State. The  
12 date of receipt by the Secretary of such concur-  
13 rence by the Neighboring State shall constitute  
14 the date of receipt of the petition for that area  
15 for which the concurrence applies.

16 “(B) LIMITATIONS ON LEASING.—In its  
17 petition, a State with an Adjacent Zone that  
18 contains leased tracts may condition new leas-  
19 ing for oil and gas, or natural gas for tracts  
20 within 25 miles of the coastline by—

21 “(i) requiring a net reduction in the  
22 number of production platforms;

23 “(ii) requiring a net increase in the  
24 average distance of production platforms  
25 from the coastline;



1           “(iii) limiting permanent surface occu-  
2           pancy on new leases to areas that are more  
3           than 10 miles from the coastline;

4           “(iv) limiting some tracts to being  
5           produced from shore or from platforms lo-  
6           cated on other tracts; or

7           “(v) other conditions that the Adja-  
8           cent State may deem appropriate as long  
9           as the Secretary does not determine that  
10          production is made economically or tech-  
11          nically impracticable or otherwise impos-  
12          sible.

13          “(C) ACTION BY SECRETARY.—Not later  
14          than 90 days after receipt of a petition under  
15          subparagraph (A), the Secretary shall approve  
16          the petition, unless the Secretary determines  
17          that leasing the area would probably cause seri-  
18          ous harm or damage to the marine resources of  
19          the State’s Adjacent Zone. Prior to approving  
20          the petition, the Secretary shall complete an en-  
21          vironmental assessment that documents the an-  
22          ticipated environmental effects of leasing in the  
23          area included within the scope of the petition.

24          “(D) FAILURE TO ACT.—If the Secretary  
25          fails to approve or deny a petition in accordance

1 with subparagraph (C) the petition shall be con-  
2 sidered to be approved 90 days after receipt of  
3 the petition.

4 “(E) AMENDMENT OF THE 5-YEAR LEAS-  
5 ING PROGRAM.—Notwithstanding section 18,  
6 within 180 days of the approval of a petition  
7 under subparagraph (C) or (D), after the expi-  
8 ration of the time limits in paragraph (1)(B),  
9 and within 180 days after the enactment of the  
10 Funding a Clean Energy Future By Bringing  
11 Lower Gas Prices for Americans Today Act of  
12 2008 for the areas made available for leasing  
13 under paragraph (2), the Secretary shall amend  
14 the current 5-Year Outer Continental Shelf Oil  
15 and Gas Leasing Program to include a lease  
16 sale or sales for at least 75 percent of the asso-  
17 ciated areas, unless there are, from the date of  
18 approval, expiration of such time limits, or en-  
19 actment, as applicable, fewer than 12 months  
20 remaining in the current 5-Year Leasing Pro-  
21 gram in which case the Secretary shall include  
22 the associated areas within lease sales under  
23 the next 5-Year Leasing Program. For pur-  
24 poses of amending the 5-Year Program in ac-  
25 cordance with this section, further consultations

1 with States shall not be required. For purposes  
2 of this section, an environmental assessment  
3 performed under the provisions of the National  
4 Environmental Policy Act of 1969 to assess the  
5 effects of approving the petition shall be suffi-  
6 cient to amend the 5-Year Leasing Program.

7 “(h) OPTION TO EXTEND WITHDRAWAL FROM  
8 LEASING WITHIN CERTAIN AREAS OF THE OUTER CON-  
9 TINENTAL SHELF.—A State, through its Governor and  
10 upon the concurrence of its legislature, may extend for a  
11 period of time of up to 5 years for each extension the with-  
12 drawal from leasing for all or part of any area within the  
13 State’s Adjacent Zone located more than 50 miles, but less  
14 than 100 miles, from the coastline that is subject to sub-  
15 section (g)(1)(B). A State may extend multiple times for  
16 any particular area but not more than once per calendar  
17 year for any particular area. A State must prepare sepa-  
18 rate extensions, with separate votes by its legislature, for  
19 oil and gas leasing and for natural gas leasing. An exten-  
20 sion by a State may affect some areas to be withdrawn  
21 from all leasing and some areas to be withdrawn only from  
22 one type of leasing.

23 “(i) EFFECT OF OTHER LAWS.—Adoption by any  
24 Adjacent State of any constitutional provision, or enact-  
25 ment of any State statute, that has the effect, as deter-

1 mined by the Secretary, of restricting either the Governor  
2 or the Legislature, or both, from exercising full discretion  
3 related to subsection (g) or (h), or both, shall automati-  
4 cally (1) prohibit any sharing of OCS Receipts under this  
5 Act with the Adjacent State, and its coastal political sub-  
6 divisions, and (2) prohibit the Adjacent State from exer-  
7 cising any authority under subsection (h), for the duration  
8 of the restriction. The Secretary shall make the determina-  
9 tion of the existence of such restricting constitutional pro-  
10 vision or State statute within 30 days of a petition by any  
11 outer Continental Shelf lessee or coastal State.

12 “(j) PROHIBITION ON LEASING EAST OF THE MILI-  
13 TARY MISSION LINE.—

14 “(1) Notwithstanding any other provision of  
15 law, from and after the enactment of the Funding  
16 a Clean Energy Future By Bringing Lower Gas  
17 Prices for Americans Today Act of 2008, prior to  
18 January 1, 2022, no area of the outer Continental  
19 Shelf located in the Gulf of Mexico east of the mili-  
20 tary mission line may be offered for leasing for oil  
21 and gas or natural gas unless a waiver is issued by  
22 the Secretary of Defense. If such a waiver is grant-  
23 ed, 62.5 percent of the OCS Receipts from a lease  
24 within such area issued because of such waiver shall  
25 be paid annually to the National Guards of all

1 States having a point within 1000 miles of such a  
2 lease, allocated among the States on a per capita  
3 basis using the entire population of such States.

4 “(2) In this subsection, the term ‘military mis-  
5 sion line’ means a line located at 86 degrees, 41  
6 minutes West Longitude, and extending south from  
7 the coast of Florida to the outer boundary of United  
8 States territorial waters in the Gulf of Mexico.”.

9 **SEC. 111. OUTER CONTINENTAL SHELF LEASING PROGRAM.**

10 Section 18 of the Outer Continental Shelf Lands Act  
11 (43 U.S.C. 1344) is amended—

12 (1) in subsection (a), by adding at the end of  
13 paragraph (3) the following: “The Secretary shall, in  
14 each 5-year program, include lease sales that when  
15 viewed as a whole propose to offer for oil and gas  
16 or natural gas leasing at least 75 percent of the  
17 available unleased acreage within each OCS Plan-  
18 ning Area. Available unleased acreage is that portion  
19 of the outer Continental Shelf that is not under  
20 lease at the time of the proposed lease sale, and has  
21 not otherwise been made unavailable for leasing by  
22 law.”;

23 (2) in subsection (c), by striking so much as  
24 precedes paragraph (3) and inserting the following:

1           “(c)(1) During the preparation of any proposed leas-  
2 ing program under this section, the Secretary shall con-  
3 sider and analyze leasing throughout the entire Outer  
4 Continental Shelf without regard to any other law affect-  
5 ing such leasing. During this preparation the Secretary  
6 shall invite and consider suggestions from any interested  
7 Federal agency, including the Attorney General, in con-  
8 sultation with the Federal Trade Commission, and from  
9 the Governor of any coastal State. The Secretary may also  
10 invite or consider any suggestions from the executive of  
11 any local government in a coastal State that have been  
12 previously submitted to the Governor of such State, and  
13 from any other person. Further, the Secretary shall con-  
14 sult with the Secretary of Defense regarding military oper-  
15 ational needs in the outer Continental Shelf. The Sec-  
16 retary shall work with the Secretary of Defense to resolve  
17 any conflicts that might arise regarding offering any area  
18 of the outer Continental Shelf for oil and gas or natural  
19 gas leasing. If the Secretaries are not able to resolve all  
20 such conflicts, any unresolved issues shall be elevated to  
21 the President for resolution.

22           “(2) After the consideration and analysis required by  
23 paragraph (1), including the consideration of the sugges-  
24 tions received from any interested Federal agency, the  
25 Federal Trade Commission, the Governor of any coastal

1 State, any local government of a coastal State, and any  
2 other person, the Secretary shall publish in the Federal  
3 Register a proposed leasing program accompanied by a  
4 draft environmental impact statement prepared pursuant  
5 to the National Environmental Policy Act of 1969. After  
6 the publishing of the proposed leasing program and during  
7 the comment period provided for on the draft environ-  
8 mental impact statement, the Secretary shall submit a  
9 copy of the proposed program to the Governor of each af-  
10 fected State for review and comment. The Governor may  
11 solicit comments from those executives of local govern-  
12 ments in the Governor's State that the Governor, in the  
13 discretion of the Governor, determines will be affected by  
14 the proposed program. If any comment by such Governor  
15 is received by the Secretary at least 15 days prior to sub-  
16 mission to the Congress pursuant to paragraph (3) and  
17 includes a request for any modification of such proposed  
18 program, the Secretary shall reply in writing, granting or  
19 denying such request in whole or in part, or granting such  
20 request in such modified form as the Secretary considers  
21 appropriate, and stating the Secretary's reasons therefor.  
22 All such correspondence between the Secretary and the  
23 Governor of any affected State, together with any addi-  
24 tional information and data relating thereto, shall accom-

1 pany such proposed program when it is submitted to the  
2 Congress.”; and

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

4 “(i) PROJECTION OF STATE ADJACENT ZONE RE-  
5 SOURCES AND STATE AND LOCAL GOVERNMENT SHARES  
6 OF OCS RECEIPTS.—Concurrent with the publication of  
7 the scoping notice at the beginning of the development of  
8 each 5-year outer Continental Shelf oil and gas leasing  
9 program, or as soon thereafter as possible, the Secretary  
10 shall—

11 “(1) provide to each Adjacent State a current  
12 estimate of proven and potential oil and gas re-  
13 sources located within the State’s Adjacent Zone;  
14 and

15 “(2) provide to each Adjacent State, and coast-  
16 al political subdivisions thereof, a best-efforts projec-  
17 tion of the OCS Receipts that the Secretary expects  
18 will be shared with each Adjacent State, and its  
19 coastal political subdivisions, using the assumption  
20 that the unleased tracts within the State’s Adjacent  
21 Zone are fully made available for leasing, including  
22 long-term projected OCS Receipts. In addition, the  
23 Secretary shall include a macroeconomic estimate of  
24 the impact of such leasing on the national economy  
25 and each State’s economy, including investment,



1 jobs, revenues, personal income, and other cat-  
2 egories.”.

3 **SEC. 112. COORDINATION WITH ADJACENT STATES.**

4 Section 19 of the Outer Continental Shelf Lands Act  
5 (43 U.S.C. 1345) is amended—

6 (1) in subsection (a) in the first sentence by in-  
7 serting “, for any tract located within the Adjacent  
8 State’s Adjacent Zone,” after “government”; and

9 (2) by adding the following:

10 “(f)(1) No Federal agency may permit or otherwise  
11 approve, without the concurrence of the Adjacent State,  
12 the construction of a crude oil or petroleum products (or  
13 both) pipeline within the part of the Adjacent State’s Ad-  
14 jacent Zone that is withdrawn from oil and gas or natural  
15 gas leasing, except that such a pipeline may be approved,  
16 without such Adjacent State’s concurrence, to pass  
17 through such Adjacent Zone if at least 50 percent of the  
18 production projected to be carried by the pipeline within  
19 its first 10 years of operation is from areas of the Adja-  
20 cent State’s Adjacent Zone.

21 “(2) No State may prohibit the construction within  
22 its Adjacent Zone or its State waters of a natural gas pipe-  
23 line that will transport natural gas produced from the  
24 outer Continental Shelf. However, an Adjacent State may  
25 prevent a proposed natural gas pipeline landing location

1 if it proposes two alternate landing locations in the Adja-  
2 cent State, acceptable to the Adjacent State, located with-  
3 in 50 miles on either side of the proposed landing loca-  
4 tion.”.

5 **SEC. 113. ENVIRONMENTAL STUDIES.**

6 Section 20(d) of the Outer Continental Shelf Lands  
7 Act (43 U.S.C. 1346) is amended—

8 (1) by inserting “(1)” after “(d)”; and

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

10 “(2) For all programs, lease sales, leases, and  
11 actions under this Act, the following shall apply re-  
12 garding the application of the National Environ-  
13 mental Policy Act of 1969:

14 “(A) Granting or directing lease suspen-  
15 sions and the conduct of all preliminary activi-  
16 ties on outer Continental Shelf tracts, including  
17 seismic activities, are categorically excluded  
18 from the need to prepare either an environ-  
19 mental assessment or an environmental impact  
20 statement, and the Secretary shall not be re-  
21 quired to analyze whether any exceptions to a  
22 categorical exclusion apply for activities con-  
23 ducted under the authority of this Act.

24 “(B) The environmental impact statement  
25 developed in support of each 5-year oil and gas

1 leasing program provides the environmental  
2 analysis for all lease sales to be conducted  
3 under the program and such sales shall not be  
4 subject to further environmental analysis.

5 “(C) Exploration plans shall not be subject  
6 to any requirement to prepare an environmental  
7 impact statement, and the Secretary may find  
8 that exploration plans are eligible for categor-  
9 ical exclusion due to the impacts already being  
10 considered within an environmental impact  
11 statement or due to mitigation measures in-  
12 cluded within the plan.

13 “(D) Within each OCS Planning Area,  
14 after the preparation of the first development  
15 and production plan environmental impact  
16 statement for a leased tract within the Area, fu-  
17 ture development and production plans for  
18 leased tracts within the Area shall only require  
19 the preparation of an environmental assessment  
20 unless the most recent development and produc-  
21 tion plan environmental impact statement with-  
22 in the Area was finalized more than 10 years  
23 prior to the date of the approval of the plan, in  
24 which case an environmental impact statement  
25 shall be required.”.

1       **TITLE II—COASTAL PLAIN OF**  
2                                   **ALASKA**

3       **SEC. 201. DEFINITIONS.**

4       In this title:

5               (1) COASTAL PLAIN.—The term “Coastal  
6       Plain” means that area described in appendix I to  
7       part 37 of title 50, Code of Federal Regulations.

8               (2) SECRETARY.—The term “Secretary”, except  
9       as otherwise provided, means the Secretary of the  
10       Interior or the Secretary’s designee.

11       **SEC. 202. LEASING PROGRAM FOR LANDS WITHIN THE**  
12                                   **COASTAL PLAIN.**

13       (a) IN GENERAL.—The Secretary shall take such ac-  
14       tions as are necessary—

15               (1) to establish and implement, in accordance  
16       with this title and acting through the Director of the  
17       Bureau of Land Management in consultation with  
18       the Director of the United States Fish and Wildlife  
19       Service, a competitive oil and gas leasing program  
20       that will result in an environmentally sound program  
21       for the exploration, development, and production of  
22       the oil and gas resources of the Coastal Plain; and

23               (2) to administer the provisions of this title  
24       through regulations, lease terms, conditions, restric-  
25       tions, prohibitions, stipulations, and other provisions

1 that ensure the oil and gas exploration, development,  
2 and production activities on the Coastal Plain will  
3 result in no significant adverse effect on fish and  
4 wildlife, their habitat, subsistence resources, and the  
5 environment, including, in furtherance of this goal,  
6 by requiring the application of the best commercially  
7 available technology for oil and gas exploration, de-  
8 velopment, and production to all exploration, devel-  
9 opment, and production operations under this title  
10 in a manner that ensures the receipt of fair market  
11 value by the public for the mineral resources to be  
12 leased.

13 (b) REPEAL.—

14 (1) REPEAL.—Section 1003 of the Alaska Na-  
15 tional Interest Lands Conservation Act of 1980 (16  
16 U.S.C. 3143) is repealed.

17 (2) CONFORMING AMENDMENT.—The table of  
18 contents in section 1 of such Act is amended by  
19 striking the item relating to section 1003.

20 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-  
21 TAIN OTHER LAWS.—

22 (1) COMPATIBILITY.—For purposes of the Na-  
23 tional Wildlife Refuge System Administration Act of  
24 1966 (16 U.S.C. 668dd et seq.), the oil and gas  
25 leasing program and activities authorized by this

1 section in the Coastal Plain are deemed to be com-  
2 patible with the purposes for which the Arctic Na-  
3 tional Wildlife Refuge was established, and no fur-  
4 ther findings or decisions are required to implement  
5 this determination.

6 (2) ADEQUACY OF THE DEPARTMENT OF THE  
7 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT  
8 STATEMENT.—The “Final Legislative Environ-  
9 mental Impact Statement” (April 1987) on the  
10 Coastal Plain prepared pursuant to section 1002 of  
11 the Alaska National Interest Lands Conservation  
12 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)  
13 of the National Environmental Policy Act of 1969  
14 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-  
15 quirements under the National Environmental Policy  
16 Act of 1969 that apply with respect to prelease ac-  
17 tivities, including actions authorized to be taken by  
18 the Secretary to develop and promulgate the regula-  
19 tions for the establishment of a leasing program au-  
20 thorized by this title before the conduct of the first  
21 lease sale.

22 (3) COMPLIANCE WITH NEPA FOR OTHER AC-  
23 TIONS.—Before conducting the first lease sale under  
24 this title, the Secretary shall prepare an environ-  
25 mental impact statement under the National Envi-

1       ronmental Policy Act of 1969 with respect to the ac-  
2       tions authorized by this title that are not referred to  
3       in paragraph (2). Notwithstanding any other law,  
4       the Secretary is not required to identify nonleasing  
5       alternative courses of action or to analyze the envi-  
6       ronmental effects of such courses of action. The Sec-  
7       retary shall only identify a preferred action for such  
8       leasing and a single leasing alternative, and analyze  
9       the environmental effects and potential mitigation  
10      measures for those two alternatives. The identifica-  
11      tion of the preferred action and related analysis for  
12      the first lease sale under this title shall be completed  
13      within 18 months after the date of enactment of this  
14      title. The Secretary shall only consider public com-  
15      ments that specifically address the Secretary's pre-  
16      ferred action and that are filed within 20 days after  
17      publication of an environmental analysis. Notwith-  
18      standing any other law, compliance with this para-  
19      graph is deemed to satisfy all requirements for the  
20      analysis and consideration of the environmental ef-  
21      fects of proposed leasing under this title.

22      (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-  
23      ITY.—Nothing in this title shall be considered to expand  
24      or limit State and local regulatory authority.

25      (e) SPECIAL AREAS.—

1           (1) IN GENERAL.—The Secretary, after con-  
2           sultation with the State of Alaska, the city of  
3           Kaktovik, and the North Slope Borough, may des-  
4           ignate up to a total of 45,000 acres of the Coastal  
5           Plain as a Special Area if the Secretary determines  
6           that the Special Area is of such unique character  
7           and interest so as to require special management  
8           and regulatory protection. The Secretary shall des-  
9           ignate as such a Special Area the Sadlerochit Spring  
10          area, comprising approximately 4,000 acres.

11          (2) MANAGEMENT.—Each such Special Area  
12          shall be managed so as to protect and preserve the  
13          area’s unique and diverse character including its  
14          fish, wildlife, and subsistence resource values.

15          (3) EXCLUSION FROM LEASING OR SURFACE  
16          OCCUPANCY.—The Secretary may exclude any Spe-  
17          cial Area from leasing. If the Secretary leases a Spe-  
18          cial Area, or any part thereof, for purposes of oil  
19          and gas exploration, development, production, and  
20          related activities, there shall be no surface occu-  
21          pancy of the lands comprising the Special Area.

22          (4) DIRECTIONAL DRILLING.—Notwithstanding  
23          the other provisions of this subsection, the Secretary  
24          may lease all or a portion of a Special Area under  
25          terms that permit the use of horizontal drilling tech-



1 nology from sites on leases located outside the Spe-  
2 cial Area.

3 (f) LIMITATION ON CLOSED AREAS.—The Sec-  
4 retary's sole authority to close lands within the Coastal  
5 Plain to oil and gas leasing and to exploration, develop-  
6 ment, and production is that set forth in this title.

7 (g) REGULATIONS.—

8 (1) IN GENERAL.—The Secretary shall pre-  
9 scribe such regulations as may be necessary to carry  
10 out this title, including rules and regulations relating  
11 to protection of the fish and wildlife, their habitat,  
12 subsistence resources, and environment of the Coast-  
13 al Plain, by no later than 15 months after the date  
14 of enactment of this title.

15 (2) REVISION OF REGULATIONS.—The Sec-  
16 retary shall periodically review and, if appropriate,  
17 revise the rules and regulations issued under sub-  
18 section (a) to reflect any significant biological, envi-  
19 ronmental, or engineering data that come to the Sec-  
20 retary's attention.

21 **SEC. 203. LEASE SALES.**

22 (a) IN GENERAL.—Lands may be leased pursuant to  
23 this title to any person qualified to obtain a lease for de-  
24 posits of oil and gas under the Mineral Leasing Act (30  
25 U.S.C. 181 et seq.).

1 (b) PROCEDURES.—The Secretary shall, by regula-  
2 tion, establish procedures for—

3 (1) receipt and consideration of sealed nomina-  
4 tions for any area in the Coastal Plain for inclusion  
5 in, or exclusion (as provided in subsection (c)) from,  
6 a lease sale;

7 (2) the holding of lease sales after such nomina-  
8 tion process; and

9 (3) public notice of and comment on designa-  
10 tion of areas to be included in, or excluded from, a  
11 lease sale.

12 (c) LEASE SALE BIDS.—Bidding for leases under  
13 this title shall be by sealed competitive cash bonus bids.

14 (d) ACREAGE MINIMUM IN FIRST SALE.—In the first  
15 lease sale under this title, the Secretary shall offer for  
16 lease those tracts the Secretary considers to have the  
17 greatest potential for the discovery of hydrocarbons, tak-  
18 ing into consideration nominations received pursuant to  
19 subsection (b)(1), but in no case less than 200,000 acres.

20 (e) TIMING OF LEASE SALES.—The Secretary  
21 shall—

22 (1) conduct the first lease sale under this title  
23 within 22 months after the date of the enactment of  
24 this title;

1           (2) evaluate the bids in such sale and issue  
2 leases resulting from such sale, within 90 days after  
3 the date of the completion of such sale; and

4           (3) conduct additional sales so long as sufficient  
5 interest in development exists to warrant, in the Sec-  
6 retary's judgment, the conduct of such sales.

7 **SEC. 204. GRANT OF LEASES BY THE SECRETARY.**

8           (a) IN GENERAL.—The Secretary may grant to the  
9 highest responsible qualified bidder in a lease sale con-  
10 ducted pursuant to section 4 any lands to be leased on  
11 the Coastal Plain upon payment by the lessee of such  
12 bonus as may be accepted by the Secretary.

13           (b) SUBSEQUENT TRANSFERS.—No lease issued  
14 under this title may be sold, exchanged, assigned, sublet,  
15 or otherwise transferred except with the approval of the  
16 Secretary. Prior to any such approval the Secretary shall  
17 consult with, and give due consideration to the views of,  
18 the Attorney General.

19 **SEC. 205. LEASE TERMS AND CONDITIONS.**

20           (a) IN GENERAL.—An oil or gas lease issued pursu-  
21 ant to this title shall—

22           (1) provide for the payment of a royalty of not  
23 less than 12½ percent in amount or value of the  
24 production removed or sold from the lease, as deter-

1       mined by the Secretary under the regulations appli-  
2       cable to other Federal oil and gas leases;

3           (2) provide that the Secretary may close, on a  
4       seasonal basis, portions of the Coastal Plain to ex-  
5       ploratory drilling activities as necessary to protect  
6       caribou calving areas and other species of fish and  
7       wildlife;

8           (3) require that the lessee of lands within the  
9       Coastal Plain shall be fully responsible and liable for  
10      the reclamation of lands within the Coastal Plain  
11      and any other Federal lands that are adversely af-  
12      fected in connection with exploration, development,  
13      production, or transportation activities conducted  
14      under the lease and within the Coastal Plain by the  
15      lessee or by any of the subcontractors or agents of  
16      the lessee;

17          (4) provide that the lessee may not delegate or  
18      convey, by contract or otherwise, the reclamation re-  
19      sponsibility and liability to another person without  
20      the express written approval of the Secretary;

21          (5) provide that the standard of reclamation for  
22      lands required to be reclaimed under this title shall  
23      be, as nearly as practicable, a condition capable of  
24      supporting the uses which the lands were capable of  
25      supporting prior to any exploration, development, or

1 production activities, or upon application by the les-  
2 see, to a higher or better use as approved by the  
3 Secretary;

4 (6) contain terms and conditions relating to  
5 protection of fish and wildlife, their habitat, subsist-  
6 ence resources, and the environment as required  
7 pursuant to section 3(a)(2);

8 (7) provide that the lessee, its agents, and its  
9 contractors use best efforts to provide a fair share,  
10 as determined by the level of obligation previously  
11 agreed to in the 1974 agreement implementing sec-  
12 tion 29 of the Federal Agreement and Grant of  
13 Right of Way for the Operation of the Trans-Alaska  
14 Pipeline, of employment and contracting for Alaska  
15 Natives and Alaska Native Corporations from  
16 throughout the State;

17 (8) prohibit the export of oil produced under  
18 the lease; and

19 (9) contain such other provisions as the Sec-  
20 retary determines necessary to ensure compliance  
21 with the provisions of this title and the regulations  
22 issued under this title.

23 (b) PROJECT LABOR AGREEMENTS.—The Secretary,  
24 as a term and condition of each lease under this title and  
25 in recognizing the Government's proprietary interest in

1 labor stability and in the ability of construction labor and  
2 management to meet the particular needs and conditions  
3 of projects to be developed under the leases issued pursu-  
4 ant to this title and the special concerns of the parties  
5 to such leases, shall require that the lessee and its agents  
6 and contractors negotiate to obtain a project labor agree-  
7 ment for the employment of laborers and mechanics on  
8 production, maintenance, and construction under the  
9 lease.

10 **SEC. 206. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

11 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD  
12 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—

13 The Secretary shall, consistent with the requirements of  
14 section 3, administer the provisions of this title through  
15 regulations, lease terms, conditions, restrictions, prohibi-  
16 tions, stipulations, and other provisions that—

17 (1) ensure the oil and gas exploration, develop-  
18 ment, and production activities on the Coastal Plain  
19 will result in no significant adverse effect on fish  
20 and wildlife, their habitat, and the environment;

21 (2) require the application of the best commer-  
22 cially available technology for oil and gas explo-  
23 ration, development, and production on all new ex-  
24 ploration, development, and production operations;  
25 and

1           (3) ensure that the maximum amount of sur-  
2           face acreage covered by production and support fa-  
3           cilities, including airstrips and any areas covered by  
4           gravel berms or piers for support of pipelines, does  
5           not exceed 2,000 acres on the Coastal Plain.

6           (b) **SITE-SPECIFIC ASSESSMENT AND MITIGATION.**—

7           The Secretary shall also require, with respect to any pro-  
8           posed drilling and related activities, that—

9           (1) a site-specific analysis be made of the prob-  
10          able effects, if any, that the drilling or related activi-  
11          ties will have on fish and wildlife, their habitat, sub-  
12          sistence resources, and the environment;

13          (2) a plan be implemented to avoid, minimize,  
14          and mitigate (in that order and to the extent prac-  
15          ticable) any significant adverse effect identified  
16          under paragraph (1); and

17          (3) the development of the plan shall occur  
18          after consultation with the agency or agencies hav-  
19          ing jurisdiction over matters mitigated by the plan.

20          (c) **REGULATIONS TO PROTECT COASTAL PLAIN**

21 **FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,**

22 **AND THE ENVIRONMENT.**—Before implementing the leas-

23 ing program authorized by this title, the Secretary shall

24 prepare and promulgate regulations, lease terms, condi-

25 tions, restrictions, prohibitions, stipulations, and other

1 measures designed to ensure that the activities undertaken  
2 on the Coastal Plain under this title are conducted in a  
3 manner consistent with the purposes and environmental  
4 requirements of this title.

5 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-  
6 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The  
7 proposed regulations, lease terms, conditions, restrictions,  
8 prohibitions, and stipulations for the leasing program  
9 under this title shall require compliance with all applicable  
10 provisions of Federal and State environmental law, and  
11 shall also require the following:

12 (1) Standards at least as effective as the safety  
13 and environmental mitigation measures set forth in  
14 items 1 through 29 at pages 167 through 169 of the  
15 “Final Legislative Environmental Impact State-  
16 ment” (April 1987) on the Coastal Plain.

17 (2) Seasonal limitations on exploration, develop-  
18 ment, and related activities, where necessary, to  
19 avoid significant adverse effects during periods of  
20 concentrated fish and wildlife breeding, denning,  
21 nesting, spawning, and migration.

22 (3) That exploration activities, except for sur-  
23 face geological studies, be limited to the period be-  
24 tween approximately November 1 and May 1 each  
25 year and that exploration activities shall be sup-



1 ported, if necessary, by ice roads, winter trails with  
2 adequate snow cover, ice pads, ice airstrips, and air  
3 transport methods, except that such exploration ac-  
4 tivities may occur at other times if the Secretary  
5 finds that such exploration will have no significant  
6 adverse effect on the fish and wildlife, their habitat,  
7 and the environment of the Coastal Plain.

8 (4) Design safety and construction standards  
9 for all pipelines and any access and service roads,  
10 that—

11 (A) minimize, to the maximum extent pos-  
12 sible, adverse effects upon the passage of mi-  
13 gratory species such as caribou; and

14 (B) minimize adverse effects upon the flow  
15 of surface water by requiring the use of cul-  
16 verts, bridges, and other structural devices.

17 (5) Prohibitions on general public access and  
18 use on all pipeline access and service roads.

19 (6) Stringent reclamation and rehabilitation re-  
20 quirements, consistent with the standards set forth  
21 in this title, requiring the removal from the Coastal  
22 Plain of all oil and gas development and production  
23 facilities, structures, and equipment upon completion  
24 of oil and gas production operations, except that the  
25 Secretary may exempt from the requirements of this

1 paragraph those facilities, structures, or equipment  
2 that the Secretary determines would assist in the  
3 management of the Arctic National Wildlife Refuge  
4 and that are donated to the United States for that  
5 purpose.

6 (7) Appropriate prohibitions or restrictions on  
7 access by all modes of transportation.

8 (8) Appropriate prohibitions or restrictions on  
9 sand and gravel extraction.

10 (9) Consolidation of facility siting.

11 (10) Appropriate prohibitions or restrictions on  
12 use of explosives.

13 (11) Avoidance, to the extent practicable, of  
14 springs, streams, and river system; the protection of  
15 natural surface drainage patterns, wetlands, and ri-  
16 parian habitats; and the regulation of methods or  
17 techniques for developing or transporting adequate  
18 supplies of water for exploratory drilling.

19 (12) Avoidance or minimization of air traffic-re-  
20 lated disturbance to fish and wildlife.

21 (13) Treatment and disposal of hazardous and  
22 toxic wastes, solid wastes, reserve pit fluids, drilling  
23 muds and cuttings, and domestic wastewater, includ-  
24 ing an annual waste management report, a haz-  
25 ardous materials tracking system, and a prohibition

1 on chlorinated solvents, in accordance with applica-  
2 ble Federal and State environmental law.

3 (14) Fuel storage and oil spill contingency plan-  
4 ning.

5 (15) Research, monitoring, and reporting re-  
6 quirements.

7 (16) Field crew environmental briefings.

8 (17) Avoidance of significant adverse effects  
9 upon subsistence hunting, fishing, and trapping by  
10 subsistence users.

11 (18) Compliance with applicable air and water  
12 quality standards.

13 (19) Appropriate seasonal and safety zone des-  
14 ignations around well sites, within which subsistence  
15 hunting and trapping shall be limited.

16 (20) Reasonable stipulations for protection of  
17 cultural and archeological resources.

18 (21) All other protective environmental stipula-  
19 tions, restrictions, terms, and conditions deemed  
20 necessary by the Secretary.

21 (e) CONSIDERATIONS.—In preparing and promul-  
22 gating regulations, lease terms, conditions, restrictions,  
23 prohibitions, and stipulations under this section, the Sec-  
24 retary shall consider the following:

1           (1) The stipulations and conditions that govern  
2 the National Petroleum Reserve-Alaska leasing pro-  
3 gram, as set forth in the 1999 Northeast National  
4 Petroleum Reserve-Alaska Final Integrated Activity  
5 Plan/Environmental Impact Statement.

6           (2) The environmental protection standards  
7 that governed the initial Coastal Plain seismic explo-  
8 ration program under parts 37.31 to 37.33 of title  
9 50, Code of Federal Regulations.

10          (3) The land use stipulations for exploratory  
11 drilling on the KIC-ASRC private lands that are set  
12 forth in Appendix 2 of the August 9, 1983, agree-  
13 ment between Arctic Slope Regional Corporation and  
14 the United States.

15 (f) FACILITY CONSOLIDATION PLANNING.—

16          (1) IN GENERAL.—The Secretary shall, after  
17 providing for public notice and comment, prepare  
18 and update periodically a plan to govern, guide, and  
19 direct the siting and construction of facilities for the  
20 exploration, development, production, and transpor-  
21 tation of Coastal Plain oil and gas resources.

22          (2) OBJECTIVES.—The plan shall have the fol-  
23 lowing objectives:

24               (A) Avoiding unnecessary duplication of fa-  
25 cilities and activities.

1 (B) Encouraging consolidation of common  
2 facilities and activities.

3 (C) Locating or confining facilities and ac-  
4 tivities to areas that will minimize impact on  
5 fish and wildlife, their habitat, and the environ-  
6 ment.

7 (D) Utilizing existing facilities wherever  
8 practicable.

9 (E) Enhancing compatibility between wild-  
10 life values and development activities.

11 (g) ACCESS TO PUBLIC LANDS.—The Secretary  
12 shall—

13 (1) manage public lands in the Coastal Plain  
14 subject to subsections (a) and (b) of section 811 of  
15 the Alaska National Interest Lands Conservation  
16 Act (16 U.S.C. 3121); and

17 (2) ensure that local residents shall have rea-  
18 sonable access to public lands in the Coastal Plain  
19 for traditional uses.

20 **SEC. 207. EXPEDITED JUDICIAL REVIEW.**

21 (a) FILING OF COMPLAINT.—

22 (1) DEADLINE.—Subject to paragraph (2), any  
23 complaint seeking judicial review of any provision of  
24 this title or any action of the Secretary under this  
25 title shall be filed—

1 (A) except as provided in subparagraph  
2 (B), within the 90-day period beginning on the  
3 date of the action being challenged; or

4 (B) in the case of a complaint based solely  
5 on grounds arising after such period, within 90  
6 days after the complainant knew or reasonably  
7 should have known of the grounds for the com-  
8 plaint.

9 (2) VENUE.—Any complaint seeking judicial re-  
10 view of any provision of this title or any action of  
11 the Secretary under this title may be filed only in  
12 the United States Court of Appeals for the District  
13 of Columbia.

14 (3) LIMITATION ON SCOPE OF CERTAIN RE-  
15 VIEW.—Judicial review of a Secretarial decision to  
16 conduct a lease sale under this title, including the  
17 environmental analysis thereof, shall be limited to  
18 whether the Secretary has complied with the terms  
19 of this title and shall be based upon the administra-  
20 tive record of that decision. The Secretary's identi-  
21 fication of a preferred course of action to enable  
22 leasing to proceed and the Secretary's analysis of  
23 environmental effects under this title shall be pre-  
24 sumed to be correct unless shown otherwise by clear  
25 and convincing evidence to the contrary.

1 (b) LIMITATION ON OTHER REVIEW.—Actions of the  
2 Secretary with respect to which review could have been  
3 obtained under this section shall not be subject to judicial  
4 review in any civil or criminal proceeding for enforcement.

5 **SEC. 208. FEDERAL AND STATE DISTRIBUTION OF REVENUES.**  
6

7 (a) IN GENERAL.—Notwithstanding any other provi-  
8 sion of law, of the amount of adjusted bonus, rental, and  
9 royalty revenues from Federal oil and gas leasing and op-  
10 erations authorized under this title—

11 (1) 50 percent shall be paid to the State of  
12 Alaska; and

13 (2) except as provided in section 111(d), the  
14 balance shall be transferred to the Clean Future-  
15 Lower Prices Alternative Energy Trust Fund estab-  
16 lished by this Act.

17 (b) PAYMENTS TO ALASKA.—Payments to the State  
18 of Alaska under this section shall be made semiannually.

19 **SEC. 209. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

20 (a) IN GENERAL.—The Secretary shall issue rights-  
21 of-way and easements across the Coastal Plain for the  
22 transportation of oil and gas—

23 (1) except as provided in paragraph (2), under  
24 section 28 of the Mineral Leasing Act (30 U.S.C.  
25 185), without regard to title XI of the Alaska Na-

1 tional Interest Lands Conservation Act (30 U.S.C.  
2 3161 et seq.); and

3 (2) under title XI of the Alaska National Inter-  
4 est Lands Conservation Act (30 U.S.C. 3161 et  
5 seq.), for access authorized by sections 1110 and  
6 1111 of that Act (16 U.S.C. 3170 and 3171).

7 (b) TERMS AND CONDITIONS.—The Secretary shall  
8 include in any right-of-way or easement issued under sub-  
9 section (a) such terms and conditions as may be necessary  
10 to ensure that transportation of oil and gas does not result  
11 in a significant adverse effect on the fish and wildlife, sub-  
12 sistence resources, their habitat, and the environment of  
13 the Coastal Plain, including requirements that facilities be  
14 sited or designed so as to avoid unnecessary duplication  
15 of roads and pipelines.

16 (c) REGULATIONS.—The Secretary shall include in  
17 regulations under section 3(g) provisions granting rights-  
18 of-way and easements described in subsection (a) of this  
19 section.

20 **SEC. 210. CONVEYANCE.**

21 In order to maximize Federal revenues by removing  
22 clouds on title to lands and clarifying land ownership pat-  
23 terns within the Coastal Plain, the Secretary, notwith-  
24 standing the provisions of section 1302(h)(2) of the Alas-



1 ka National Interest Lands Conservation Act (16 U.S.C.  
2 3192(h)(2)), shall convey—

3 (1) to the Kaktovik Inupiat Corporation the  
4 surface estate of the lands described in paragraph 1  
5 of Public Land Order 6959, to the extent necessary  
6 to fulfill the Corporation's entitlement under sec-  
7 tions 12 and 14 of the Alaska Native Claims Settle-  
8 ment Act (43 U.S.C. 1611 and 1613) in accordance  
9 with the terms and conditions of the Agreement be-  
10 tween the Department of the Interior, the United  
11 States Fish and Wildlife Service, the Bureau of  
12 Land Management, and the Kaktovik Inupiat Cor-  
13 poration effective January 22, 1993; and

14 (2) to the Arctic Slope Regional Corporation  
15 the remaining subsurface estate to which it is enti-  
16 tled pursuant to the August 9, 1983, agreement be-  
17 tween the Arctic Slope Regional Corporation and the  
18 United States of America.

19 **SEC. 211. LOCAL GOVERNMENT IMPACT AID AND COMMU-**  
20 **NITY SERVICE ASSISTANCE.**

21 (a) FINANCIAL ASSISTANCE AUTHORIZED.—

22 (1) IN GENERAL.—The Secretary may use  
23 amounts available from the Coastal Plain Local Gov-  
24 ernment Impact Aid Assistance Fund established by  
25 subsection (d) to provide timely financial assistance

1 to entities that are eligible under paragraph (2) and  
2 that are directly impacted by the exploration for or  
3 production of oil and gas on the Coastal Plain under  
4 this title.

5 (2) ELIGIBLE ENTITIES.—The North Slope  
6 Borough, the City of Kaktovik, and any other bor-  
7 ough, municipal subdivision, village, or other com-  
8 munity in the State of Alaska that is directly im-  
9 pacted by exploration for, or the production of, oil  
10 or gas on the Coastal Plain under this title, as de-  
11 termined by the Secretary, shall be eligible for finan-  
12 cial assistance under this section.

13 (b) USE OF ASSISTANCE.—Financial assistance  
14 under this section may be used only for—

15 (1) planning for mitigation of the potential ef-  
16 fects of oil and gas exploration and development on  
17 environmental, social, cultural, recreational, and sub-  
18 sistence values;

19 (2) implementing mitigation plans and main-  
20 taining mitigation projects;

21 (3) developing, carrying out, and maintaining  
22 projects and programs that provide new or expanded  
23 public facilities and services to address needs and  
24 problems associated with such effects, including fire-

1 fighting, police, water, waste treatment, medivac,  
2 and medical services; and

3 (4) establishment of a coordination office, by  
4 the North Slope Borough, in the City of Kaktovik,  
5 which shall—

6 (A) coordinate with and advise developers  
7 on local conditions, impact, and history of the  
8 areas utilized for development; and

9 (B) provide to the Committee on Resources  
10 of the House of Representatives and the Com-  
11 mittee on Energy and Natural Resources of the  
12 Senate an annual report on the status of co-  
13 ordination between developers and the commu-  
14 nities affected by development.

15 (c) APPLICATION.—

16 (1) IN GENERAL.—Any community that is eligi-  
17 ble for assistance under this section may submit an  
18 application for such assistance to the Secretary, in  
19 such form and under such procedures as the Sec-  
20 retary may prescribe by regulation.

21 (2) NORTH SLOPE BOROUGH COMMUNITIES.—A  
22 community located in the North Slope Borough may  
23 apply for assistance under this section either directly  
24 to the Secretary or through the North Slope Bor-  
25 ough.

1           (3) APPLICATION ASSISTANCE.—The Secretary  
2 shall work closely with and assist the North Slope  
3 Borough and other communities eligible for assist-  
4 ance under this section in developing and submitting  
5 applications for assistance under this section.

6           (d) ESTABLISHMENT OF FUND.—

7           (1) IN GENERAL.—There is established in the  
8 Treasury the Coastal Plain Local Government Im-  
9 pact Aid Assistance Fund.

10           (2) USE.—Amounts in the fund may be used  
11 only for providing financial assistance under this  
12 section.

13           (3) DEPOSITS.—Subject to paragraph (4), there  
14 shall be deposited into the fund amounts received by  
15 the United States as revenues derived from rents,  
16 bonuses, and royalties from Federal leases and lease  
17 sales authorized under this title.

18           (4) LIMITATION ON DEPOSITS.—The total  
19 amount in the fund may not exceed \$11,000,000.

20           (5) INVESTMENT OF BALANCES.—The Sec-  
21 retary of the Treasury shall invest amounts in the  
22 fund in interest bearing government securities.

23           (e) AUTHORIZATION OF APPROPRIATIONS.—To pro-  
24 vide financial assistance under this section there is author-  
25 ized to be appropriated to the Secretary from the Coastal

1 Plain Local Government Impact Aid Assistance Fund  
2 \$5,000,000 for each fiscal year.

3 **TITLE III—CLEAN FUTURE-**  
4 **LOWER PRICES ALTERNATIVE**  
5 **ENERGY TRUST FUND**

6 **SEC. 301. CLEAN FUTURE-LOWER PRICES ALTERNATIVE**  
7 **ENERGY TRUST FUND.**

8 (a) ESTABLISHMENT OF TRUST FUND.—There is es-  
9 tablished in the Treasury of the United States a trust fund  
10 to be known as the “Clean Future-Lower Prices Alter-  
11 native Energy Trust Fund”, consisting of such amounts  
12 as may be deposited into the Trust Fund as provided in  
13 section 9(i) of the Outer Continental Shelf Lands Act, as  
14 amended by section 109 of this Act.

15 (b) EXPENDITURES FROM OCS ALTERNATIVE EN-  
16 ERGY TRUST FUND.—

17 (1) IN GENERAL.—Amounts in the Clean Fu-  
18 ture-Lower Prices Alternative Energy Trust Fund  
19 shall be available without further appropriation to  
20 carry out specified provisions of the Energy Policy  
21 Act of 2005 (Public Law 109–58; in this section re-  
22 ferred to as “EPAct2005”) and the Energy Inde-  
23 pendence and Security Act of 2007 (Public Law  
24 110–140; in this section referred to as  
25 “EISAct2007”), as follows:

**The following percentage of annual receipts to the OCS Alternative Energy Trust Fund, but not to exceed the limit on amount authorized, if any:**

**To carry out the provisions of:**

EPAAct2005:	
Section 210 .....	1.5 percent
Section 242 .....	1.0 percent
Section 369 .....	2.0 percent
Section 401 .....	6.0 percent
Section 812 .....	6.0 percent
Section 931 .....	19.0 percent
Section 942 .....	1.5 percent
Section 962 .....	3.0 percent
Section 968 .....	1.5 percent
Section 1704 .....	6.0 percent
EISAct2007:	
Section 207 .....	15.0 percent
Section 607 .....	1.5 percent
Title VI, Subtitle B .....	3.0 percent
Title VI, Subtitle C .....	1.5 percent
Section 641 .....	9.0 percent
Title VII, Subtitle A .....	15.0 percent
Section 1112 .....	1.5 percent
Section 1304 .....	6.0 percent.

1           (2) APPORTIONMENT OF EXCESS AMOUNT.—

2           Notwithstanding paragraph (1), any amounts allo-

3           cated under paragraph (1) that are in excess of the

4           amounts authorized in the applicable cited section or

5           subtitle of EPAAct2005 and EISAct2007 shall be re-

6           allocated to the remaining sections and subtitles

7           cited in paragraph (1), up to the amounts otherwise

8           authorized by law to carry out such sections and

9           subtitles, in proportion to the amounts authorized by

10          law to be appropriated for such other sections and

11          subtitles.

○