

116TH CONGRESS
1ST SESSION

S. 2418

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

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2019

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

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

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

Sec. 1. Short title; table of contents.

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

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

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

Sec. 103. Exemption of certain payments from sequestration.

TITLE II—ALASKA OUTER CONTINENTAL SHELF REVENUES

Sec. 201. Definitions.

Sec. 202. Disposition of qualified revenues in Alaska.

7 **TITLE I—GULF OF MEXICO**
 8 **OUTER CONTINENTAL SHELF**
 9 **REVENUES**

10 **SEC. 101. DEFINITION OF QUALIFIED OUTER CONTINENTAL**
 11 **SHELF REVENUES.**

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

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

17 (2) in clause (ii)—

18 (A) in the matter preceding subclause (I),
 19 by striking “fiscal year 2017 and each fiscal

1 year thereafter” and inserting “each of fiscal
2 years 2017 through 2019”; and

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

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

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

13 “(I) the 181 Area;

14 “(II) the 181 South Area; and

15 “(III) the 2002–2007 planning
16 area.”.

17 **SEC. 102. DISPOSITION OF QUALIFIED OUTER CONTI-**
18 **NENTAL SHELF REVENUES.**

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

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

24 (2) in paragraph (2)—

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

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

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

7 (b) AUTHORIZED USES.—Section 105(d)(1) of the
8 Gulf of Mexico Energy Security Act of 2006 (43 U.S.C.
9 1331 note; Public Law 109–432) is amended by adding
10 at the end the following:

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

16 (c) LIMITATIONS ON AMOUNT OF DISTRIBUTED
17 QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—
18 Section 105(f) of the Gulf of Mexico Energy Security Act
19 of 2006 (43 U.S.C. 1331 note; Public Law 109–432) is
20 amended—

21 (1) in paragraph (1)—

22 (A) by striking subparagraphs (B) and
23 (C);

1 (B) in subparagraph (A), by striking the
 2 semicolon at the end and inserting a period;
 3 and

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

9 (2) in paragraph (2), by striking “2055” and
 10 inserting “2019”.

11 **SEC. 103. EXEMPTION OF CERTAIN PAYMENTS FROM SE-**
 12 **QUESTRATION.**

13 (a) **IN GENERAL.**—Section 255(g)(1)(A) of the Bal-
 14 anced Budget and Emergency Deficit Control Act of 1985
 15 (2 U.S.C. 905(g)(1)(A)) is amended by inserting after
 16 “Payments to Social Security Trust Funds (28–0404–0–
 17 1–651).” the following:

18 “Payments to States pursuant to section
 19 105(a)(2)(A) of the Gulf of Mexico Energy Se-
 20 curity Act of 2006 (Public Law 109–432; 43
 21 U.S.C. 1331 note) (014–5535–0–2–302).”.

22 (b) **APPLICABILITY.**—The amendment made by this
 23 section shall apply to any sequestration order issued under
 24 the Balanced Budget and Emergency Deficit Control Act

1 of 1985 (2 U.S.C. 900 et seq.) on or after the date of
2 enactment of this Act.

3 **TITLE II—ALASKA OUTER CONTI-**
4 **NENTAL SHELF REVENUES**

5 **SEC. 201. DEFINITIONS.**

6 In this title:

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

9 (A) a county-equivalent subdivision of the
10 State—

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

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

20 (B) a municipal subdivision of the State
21 that is determined by the State to be a signifi-
22 cant staging area for oil and gas servicing, sup-
23 ply vessels, operations, suppliers, or workers.

24 (2) INSTITUTION OF HIGHER EDUCATION.—The
25 term “institution of higher education” has the

1 meaning given the term in section 102 of the Higher
2 Education Act of 1965 (20 U.S.C. 1002).

3 (3) QUALIFIED REVENUES.—

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

10 (B) EXCLUSIONS.—The term “qualified
11 revenues” does not include—

12 (i) revenues generated from leases
13 subject to section 8(g) of the Outer Conti-
14 nental Shelf Lands Act (43 U.S.C.
15 1337(g)); or

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

21 (4) SECRETARY.—The term “Secretary” means
22 the Secretary of the Interior.

23 (5) STATE.—The term “State” means the State
24 of Alaska.

1 **SEC. 202. DISPOSITION OF QUALIFIED REVENUES IN ALAS-**

2 **KA.**

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

8 (1) 50 percent of qualified revenues in the gen-
9 eral fund of the Treasury;

10 (2) 42.5 percent of qualified revenues in a spe-
11 cial account in the Treasury, to be distributed by the
12 Secretary to the State; and

13 (3) 7.5 percent of qualified revenues in a spe-
14 cial account in the Treasury, to be distributed by the
15 Secretary to coastal political subdivisions.

16 (b) **ALLOCATION AMONG COASTAL POLITICAL SUB-**
17 **DIVISIONS.**—Of the amount paid by the Secretary to
18 coastal political subdivisions under subsection (a)(3)—

19 (1) 90 percent shall be allocated among costal
20 political subdivisions described in section 201(1)(A)
21 in amounts (based on a formula established by the
22 Secretary by regulation) that are inversely propor-
23 tional to the respective distances between the point
24 in each coastal political subdivision that is closest to
25 the geographic center of the applicable leased tract

1 and not more than 200 miles from the geographic
2 center of the leased tract; and

3 (2) 10 percent shall be divided equally among
4 each coastal political subdivision described in section
5 201(1)(B).

6 (c) TIMING.—The amounts required to be deposited
7 under subsection (a) for the applicable fiscal year shall
8 be made available in accordance with that subsection dur-
9 ing the fiscal year immediately following the applica-
10 ble fiscal year.

11 (d) AUTHORIZED USES.—

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

17 (A) Projects and activities for the purposes
18 of coastal protection, conservation, and restora-
19 tion, including onshore infrastructure and relo-
20 cation of communities directly affected by
21 coastal erosion, melting permafrost, or climate
22 change-related losses.

23 (B) Mitigation of damage to fish, wildlife,
24 or natural resources.

1 (C) Mitigation of the impact of outer Con-
2 tinental Shelf activities through the funding of
3 onshore infrastructure projects and related
4 rights-of-way.

5 (D) Adaptation planning, vulnerability as-
6 sessments, and emergency preparedness assist-
7 ance to build healthy and resilient communities.

8 (E) Installation and operation of energy
9 systems to reduce energy costs and greenhouse
10 gas emissions compared to systems in use as of
11 the date of enactment of this Act.

12 (F) Programs at institutions of higher edu-
13 cation in the State.

14 (G) Other purposes, as determined by the
15 Governor of the State, with approval from the
16 State legislature.

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

19 (2) LIMITATION.—Not more than 3 percent of
20 amounts received by the State under subsection
21 (a)(2) may be used for the purposes described in
22 paragraph (1)(H).

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

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

3 (2) remain available until expended; and

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

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