

**THE OFFSHORE PRODUCTION AND ENERGIZING NATIONAL
SECURITY ACT OF 2015**

S. 2011

SECTION-BY-SECTION ANALYSIS

SEPTEMBER 2015

Section 1. Short title; Table of Contents

Section 1 provides a short title and table of contents.

Section 2. Definition of Secretary

Section 2 defines “Secretary” for purposes of the Act as the Secretary of the Interior.

Title 1: The Gulf of Mexico Offshore Energy and Jobs Act of 2015

Section 101. Outer Continental Shelf leasing program reforms

Section 101 amends section 18 of the OCSLA by defining the term “available unleased acreage” and requiring the Secretary to make available unleased acreage in each proposed oil and gas leasing program in the Gulf of Mexico based on the most recent geologic assessment. It also requires the Secretary to include any State subdivision requested by a Governor of the State in each proposed oil and gas leasing program in the Gulf of Mexico; prohibits the Secretary from removing such subdivision from the proposed program until publication of the final program; and requires the Secretary to include in each proposed oil and gas leasing program in the Gulf of Mexico any OCS area that is estimated to include more than a specified quantity of oil or gas resources and specifies the guidelines to be used by the Secretary in estimating the resources.

Section 102. Moratorium on oil and gas leasing in certain areas of the Gulf of Mexico

Section 102(a) amends section 102 of GOMESA to define the military mission line in the western border of the Eastern Planning Area. Section 102(b) amends section 104(a) of that Act by adjusting the moratorium in the Eastern Planning Area from 125 miles off the coast of the State of Florida to 50 miles and the area of the moratorium in the Central Planning Area from within 100 miles to within 50 miles off the Florida coastline.

Section 103. Requirement to implement proposed 2017–2022 oil and gas leasing program

Section 103 requires the Secretary to implement the Proposed Final Outer Continental Shelf Oil and Gas Leasing Program (2017-2022) with certain revisions and adds three lease sales in the Eastern Gulf of Mexico Planning Area in fiscal years 2018, 2019, and 2020.

Section 104. Disposition of outer Continental Shelf revenues to Gulf producing States

Section 104 amends section 102 of GOMESA to include the State of Florida as a Gulf producing State beginning in fiscal year 2017 and to provide for revenue sharing to the State from sales in the Eastern Gulf of Mexico Planning Area from leases entered into on, or after October 1, 2016. Section 104(b) amends section 105(a) of GOMESA to direct the 25 percent of the 50 percent of revenues from the Gulf of Mexico not reserved to the treasury or to states to be considered as income to the Land and Water Conservation Fund for financial assistance to States. Section 104(d) amends section 105(f) of GOMESA to increase the cap on revenue

sharing to Gulf Producing States from \$500 million to \$699 million from fiscal years 2018 through 2025 and from \$699 million to \$999 million from fiscal years 2026 through 2055.

Section 105. National defense

Section 105 clarifies that the authority of the Secretary of Defense to designate national defense areas on the OCS remains unaffected, and prohibits conflicts between exploration, development or production of oil and gas on the OCS with any military operation.

Section 106. Environmental impact statement requirement

Section 106 directs the Secretary to prepare a multi-state environmental impact statement for the lease sales required under the title that are not included in the Proposed Final Outer Continental Shelf Oil and Gas Leasing Program (2017-2022) and specifies the actions to be considered.

Section 107. State authorization

Section 107 allows a State to enter into a leasing program prior to the publication of an environmental impact statement for the Proposed Final Outer Continental Shelf Oil and Gas Leasing Program if the legislature of that State enacts a law approving inclusion in the program.

Section 108. Air emissions from outer Continental Shelf activities

Section 108 amends section 328 of the Clean Air Act to create consistency with the rest of the Gulf of Mexico for the Eastern Gulf of Mexico Planning Area for the purposes of air permitting.

Section 109. Offshore certainty

Section 109 adopts time requirements for the Secretary's consideration of requests for an Incidental Harassment Authorization (IHA) and clarifies the treatment of an IHA for the purposes of the Endangered Species Act.

Section 110. Continuous operations rule

Section 110 requires the Secretary to amend the regulatory requirement for continuous operations to maintain a lease from 180 to 365 days.

Section 111. GAO report on cumulative cost of regulation for offshore energy production

Section 111 requires the Comptroller General to prepare a report estimating the cost of complying with major Federal rules relating to offshore energy development and submit the report to the Congressional committees of jurisdiction.

Title II: The Alaska Outer Continental Shelf Lease Sale Act

Section 201. Lease sales in Nearshore Beaufort Sea Planning Area, Cook Inlet Planning Area

Section 201 establishes the Nearshore Beaufort Sea Planning Area and requires the Secretary to conduct lease sales in that Planning Area and the Cook Inlet Planning Area in fiscal years 2018, 2019, and 2020.

Section 202. Lease terms of certain Chukchi and Beaufort leases

Section 202 amends section 8(b)(2) of OCSLA to revise the term of leases issued in the Beaufort Sea Planning Area or the Chukchi Sea Planning Area to 20 years and provides the Secretary explicit authority to extend existing lease terms in the Chukchi and Beaufort to 20 years.

Section 203. Distribution of revenue to Alaska

Section 203 amends section 9 of OCSLA to direct the disposition of revenues from the OCS of Alaska for fiscal years 2016 through 2026 to the Treasury; the State of Alaska; coastal political subdivisions; the North Slope Science Initiative; institutions of higher education and workforce investment boards; a special account in the Treasury to support offshore leasing and development programs and the development of rights of way needed for transportation purposes; and to the Tribal Resilience Fund established in section 402 of this bill. It directs the disposition of revenues from the OCS of Alaska to the Treasury, the State of Alaska, coastal political subdivisions and the Tribal Resilience Fund beginning in fiscal year 2027.

Section 204. Inclusion of Beaufort, Nearshore Beaufort, Cook Inlet, and Chukchi lease sales in 5-year leasing programs

Section 304 amends section 18 of OCSLA to require at least three lease sales in each of the Beaufort Planning Area and the Chukchi Planning Area, and annually in the Nearshore Beaufort Planning Area and Cook Inlet Planning area in any 5-year proposed oil and gas leasing program, beginning with the oil and gas leasing program for 2023 to 2027.

Section 205. North Slope science initiative

Section 205 amends section 348 of the Energy Policy Act of 2005 to include the Beaufort and Chukchi Seas in the jurisdiction of the North Slope Science Initiative (NSSI) and to expand the membership of the NSSI to include the Northwest Arctic Borough and NANA Regional Corporation.

Title III: The Southern Atlantic Energy Security Act

Section 301. Definition

Section 301 defines key terms for the title and establishes the South Atlantic Planning Area.

Section 302. Preserving coastal viewsheds

Section 302(a) creates protections for coastal viewsheds by requiring consultation by the Secretary with a Governor prior to conducting a lease sale within 30 nautical miles of the coastline of a State to consider the establishment of lease stipulations for the management of surface occupancy of the areas between the coastline and 30 nautical miles. Section 302(b) sets forth consideration for production facilities. Section 302(c) establishes restrictions on the installation of permanent production facilities in the area up to 30 nautical miles off coastline.

Section 303. 2017–2022 leasing program

Section 303 requires the Secretary to include the South Atlantic Planning Area in the OCS leasing program for fiscal years 2017 through 2022 and conduct lease sales in the South Atlantic Planning Area in fiscal years 2021 and 2022.

Section 304. Balancing of military and energy production goals

Section 304(a) recognizes that the OCS is integral to national security, requires the Secretary to work with the Secretary of Defense in implementing lease sales to preserve the ability of the Armed Forces of the United States to use the OCS and to allow effective oil, gas and renewable energy exploration, development and production from the OCS. Section 304(b) clarifies that nothing in this title or amendment affects the authority of the Secretary of Defense to designate national defense areas on the OCS. Prohibits exploration, development, or production of oil and gas on the OCS that would conflict with any military operation.

Section 305. Disposition of revenues to Atlantic States

Section 305 amends section 9 of OCSLA to direct the disposition of revenues from the South Atlantic Planning Area to the Treasury, States, the Department of Energy for projects that enhance the safety, security, resiliency and reliability of energy supply, research, transmission, storage or distribution infrastructure, the Energy Efficiency and Renewable Energy program at the Department of Energy, and to high priority maintenance needs at the National Park Service that support critical infrastructure and visitor services. It provides for a Governor to direct revenues received by a State to enhance State land and water conservation efforts, improve public transportation projects, establish alternative, renewable and clean energy production, enhance beach nourishment and coastal dredging, and enhance geological and geophysical education programs.

Section 306. Enhancing geological and geophysical education for America's energy future

Section 306(a) requires the Secretary to partner with institutions of higher education to facilitate the study of geological and geophysical sciences in support of exploration and development of the OCS. Section 306(b) provides direction for the focus of activities amended under this section. Section 306(c) provides direction for a Governor's nomination of institutions of higher education, authorizes an institution of higher education to conduct research under this

section, requires a permit to conduct certain research that uses any solid or liquid explosive, establishes requirements for data development, and establishes reporting requirements.

Section 307. Atlantic regional office

Section 307 requires the Director of the BOEM to establish an Atlantic Regional Office and provides criteria for the location of the office.

Title IV: Tribal Resilience Program

Section 401. Tribal Resilience Program

Section 401 requires the Secretary to establish the Tribal Resilience Program, authorizes grants, defines eligible program activities, specifies the uses of program funds, requires interagency cooperation and creates a Tribal Resilience Liaison position.

Section 402. Tribal Resilience Fund

Section 402 establishes the Tribal Resilience Fund, defines deposits to the fund, and authorizes appropriations.

Title V: Miscellaneous

Section 501. Access to markets

Section 501(a) authorizes all crude oil to be exported without a Federal license to countries not sanctioned by the United States, except crude oil stored in the Strategic Petroleum Reserve. Section 501(b) preserves the emergency authorities of the President to prohibit exports. Section 501(d) specifies that the President may prohibit exports on an annual basis if the Secretary of Commerce and the Secretary Energy determine that exports are causing supply shortages or price spikes that threaten the U.S. economy. Section 501(e) requires the GAO to report biannually on the effects of oil exports.

Section 502. Reports

Section 502(a) requires the Secretary to submit to the relevant Congressional Committees an analysis of the proposed regulations of the Bureau of Safety and Environmental Enforcement relating to blowout preventer systems and well control and exploratory drilling in the arctic. Section 502(b) provides direction for the contents of such analysis, and prohibits the Secretary from issuing any proposed, interim or final regulation until submission of the required report. Section 502(c) further prohibits the Secretary from issuing any final regulation or rule that does not take into account the report's findings.