Pursuant to H. Con. Res. 71, the Concurrent Resolution on the Budget for Fiscal Year 2018, the reconciliation legislation contained in the Chairman’s Mark directs the Secretary of the Interior to establish and administer a competitive oil and gas program in the non-wilderness portion of the Arctic National Wildlife Refuge, known as the “1002 Area” or Coastal Plain. The legislation defines the term “Coastal Plain” by referencing Plate 1 and Plate 2 of the October 24, 2017 Map prepared by the United States Geological Survey.

The legislation repeals the prohibition on development from the Coastal Plain contained in section 1003 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3143), and directs the Secretary to manage the oil and gas program on the Coastal Plain in accordance with the Naval Petroleum Reserves Production Act of 1976 (42 U.S.C. 6501 et seq.), except as otherwise provided. The text imposes a royalty rate for leases at 16.67 percent and allocates 50 percent of the revenue derived from the program to the State of Alaska, with the remainder going to the federal Treasury.

The legislation requires the Secretary to conduct at least two area-wide lease sales within the 10-year budget window. The first lease sale is to be held within four years of the Act’s enactment and the second lease sale within seven years of enactment. Each lease sale must contain at least 400,000 acres and be comprised of those areas that have the highest potential for the discovery of hydrocarbons.

The legislation further directs the Secretary to issue any necessary rights-of-way or easements across the Coastal Plain for the exploration, development, production, or transportation associated with the oil and gas program. Additionally, the text limits surface development on federal land on the Coastal Plain to 2,000 acres.

The Congressional Budget Office estimates this reconciliation legislation will raise $1.092 billion over the 10-year budget window.