

Calendar No. 552

117TH CONGRESS
2D SESSION

S. 2996

[Report No. 117-201]

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

OCTOBER 19, 2021

Ms. MURKOWSKI (for herself and Mr. SULLIVAN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

NOVEMBER 17, 2022

Reported by Mr. MANCHIN, with amendments

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

A BILL

To provide for the distribution of certain outer Continental Shelf revenues to the State of Alaska, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Alaska Offshore Parity
5 Act”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

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

5 (A) a county-equivalent subdivision of the
6 State—

7 (i) all or part of which lies within the
8 coastal zone (as defined in section 304 of
9 the Coastal Zone Management Act of 1972
10 (16 U.S.C. 1453)) of the State; and

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

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

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

24 (3) QUALIFIED REVENUES.—

25 (A) IN GENERAL.—The term “qualified
26 revenues” means all revenues derived from all

1 rentals, royalties, bonus bids, and other sums
2 due and payable to the United States from en-
3 ergy development in the Alaska outer Conti-
4 nental Shelf region.

5 (B) EXCLUSIONS.—The term “qualified
6 revenues” does not include—

7 (i) revenues generated from leases
8 subject to section 8(g) of the Outer Conti-
9 nental Shelf Lands Act (43 U.S.C.
10 1337(g)); or

11 (ii) revenues from the forfeiture of a
12 bond or other surety securing obligations
13 other than royalties, civil penalties, or roy-
14 alties taken by the Secretary in-kind and
15 not sold.

16 (4) SECRETARY.—The term “Secretary” means
17 the Secretary of the Interior.

18 (5) STATE.—The term “State” means the State
19 of Alaska.

20 **SEC. 3. DISPOSITION OF QUALIFIED REVENUES IN ALASKA.**

21 (a) IN GENERAL.—Notwithstanding section 9 of the
22 Outer Continental Shelf Lands Act (43 U.S.C. 1338) and
23 subject to the other provisions of this section, for fiscal
24 year 2022 and each fiscal year thereafter, the Secretary
25 of the Treasury shall deposit—

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

3 ~~(2) 42.5 percent of qualified revenues in a spe-~~
4 ~~cial account in the Treasury, to be distributed by the~~
5 ~~Secretary to the State; and~~

6 ~~(3) 7.5 percent of qualified revenues in a spe-~~
7 ~~cial account in the Treasury, to be distributed by the~~
8 ~~Secretary to coastal political subdivisions.~~

9 (2) 30 percent of qualified revenues in a special
10 account in the Treasury, to be distributed by the Sec-
11 retary to the State;

12 (3) 7.5 percent of qualified revenues in a special
13 account in the Treasury, to be distributed by the Sec-
14 retary to coastal political subdivisions; and

15 (4) 12.5 percent of qualified revenues in the Na-
16 tional Oceans and Coastal Security Fund established
17 under section 904(a) of the National Oceans and
18 Coastal Security Act (16 U.S.C. 7503(a)).

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

22 (1) 90 percent shall be allocated among costal
23 political subdivisions described in section 2(1)(A) in
24 amounts (based on a formula established by the Sec-
25 retary by regulation) that are inversely proportional

1 to the respective distances between the point in each
2 coastal political subdivision that is closest to the geo-
3 graphic center of the applicable leased tract and not
4 more than 200 miles from the geographic center of
5 the leased tract; and

6 (2) 10 percent shall be divided equally among
7 each coastal political subdivision described in section
8 2(1)(B).

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

14 (d) AUTHORIZED USES.—

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

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

1 (B) Mitigation of damage to fish, wildlife,
2 or natural resources.

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

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

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

14 (F) Programs at institutions of higher edu-
15 cation in the State.

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

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

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

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

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

5 (2) remain available until expended; and

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

8 (f) *REPORTING REQUIREMENT FOR FISCAL YEAR 2023*
9 *AND THEREAFTER.*—

10 (1) *IN GENERAL.*—*Beginning with fiscal year*
11 *2023, not later than 180 days after the end of each*
12 *fiscal year in which the State receives amounts under*
13 *subsection (a)(2), the State shall submit to the Sec-*
14 *retary a report that describes the use of the amounts*
15 *by the State during the preceding fiscal year covered*
16 *by the report.*

17 (2) *PUBLIC AVAILABILITY.*—*On receipt of a re-*
18 *port required under paragraph (1), the Secretary*
19 *shall make the report available to the public on the*
20 *website of the Department of the Interior.*

21 (3) *LIMITATION.*—*If the State fails to submit the*
22 *report required under paragraph (1) by the deadline*
23 *specified in that paragraph, any amounts that would*
24 *otherwise be provided to the State under subsection*
25 *(a)(2) for the succeeding fiscal year shall be withheld*

1 *for the succeeding fiscal year until the date on which*
2 *the report is submitted.*

3 (4) *CONTENTS OF REPORT.—Each report re-*
4 *quired under paragraph (1) shall include, for each*
5 *project funded in whole or in part using amounts re-*
6 *ceived under subsection (a)(2)—*

7 (A) *the name and description of the project;*

8 (B) *the amount received under subsection*
9 *(a)(2) that is allocated to the project; and*

10 (C) *a description of how each project is con-*
11 *sistent with the authorized uses under subsection*
12 *(d).*

13 (5) *CLARIFICATION.—Nothing in this sub-*
14 *section—*

15 (A) *requires or provides authority for the*
16 *Secretary to delay, modify, or withhold payment*
17 *under this subsection, other than for failure to*
18 *submit a report as required under this sub-*
19 *section;*

20 (B) *requires or provides authority for the*
21 *Secretary to review or approve uses of funds re-*
22 *ported under this subsection;*

23 (C) *requires or provides authority for the*
24 *Secretary to approve individual projects that re-*
25 *ceive funds reported under this subsection;*

1 (D) requires the State to obtain the ap-
2 proval of, or review by, the Secretary prior to
3 spending funds disbursed under subsection
4 (a)(2);

5 (E) requires or provides authority for the
6 Secretary to issue guidance relating to the con-
7 tents of, or to determine the completeness of, the
8 report required under this subsection;

9 (F) requires the State to obligate or expend
10 funds disbursed under subsection (a)(2) by a cer-
11 tain date; or

12 (G) requires or provides authority for the
13 Secretary to request the State to return unobli-
14 gated funds.

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