

STORAGE NAME: h0059.ep

DATE: October 4, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
ENVIRONMENTAL PROTECTION
ANALYSIS**

BILL #: HM 59

RELATING TO: Leasing under the Outer Continental Shelf Lands Act

SPONSOR(S): Representative C. Green

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

(1) ENVIRONMENTAL PROTECTION

(2)

(3)

(4)

(5)

I. SUMMARY:

In 1997 and 1999, Representative Porter Goss, U.S. Congress, introduced a House Memorial which placed restrictions on leases for offshore drilling. The House Memorial provided that the Secretary of Interior shall not conduct any preleasing activities, sell any leases or approve any permits for the exploration, production or drilling of oil and gas under the Outer Continental Shelf unless certain environmental studies are completed which show that there is a minimum level of uncertainty associated with such drilling activities. This condition applies to all federal offshore leases in the Eastern Gulf of Mexico; Straights of Florida and South Atlantic Planning Areas. Florida does not have jurisdiction over these leases.

House Memorial 59, as filed in the Florida House of Representatives, urges Congress to pass Representative Goss' memorial stating that adequate scientific and environmental research is necessary prior to leasing federal land for exploration, production or drilling of oil and gas. This protection is needed to conserve Florida's natural resources and minimize the uncertainty of the effects of offshore drilling on Florida's coastal regions.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The Outer Continental Shelf (OCS) is a seabed that extends beyond the state's jurisdiction and into the deep ocean. Under current law, Florida's jurisdiction extends into the Gulf of Mexico three marine leagues, or, roughly 9 miles off of Florida's coast. Florida's jurisdiction into the Atlantic ocean extends three nautical miles. The outer continental shelf is the seabed that exists beyond Florida's jurisdiction. Therefore, the OCS is under the jurisdiction and control of the United States.

The term "outer continental shelf" is defined as "all submerged lands lying seaward and outside of the area of lands beneath navigable waters ... and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control" OCS Lands Act (43 U.S.C. 1331(a)).

The United States divided the OCS into four regions, the: Gulf of Mexico; Atlantic; Pacific and Alaska OCS Regions. In 1953, Congress amended the Outer Continental Shelf Act Lands Act (Act), 43 U.S.C. 1331, as amended, and directed the Secretary of Interior to govern and administer mineral exploration and development of the entire OCS, including the Gulf of Mexico and Atlantic Regions. This Act directs the Secretary to:

- conserve the Nation's natural resources;
- develop natural gas and oil reserves in an orderly and timely manner;
- make resources available to meet the energy needs of the country;
- to balance resource development with human, marine, and coastal environments; and
- ensure the public a fair and equitable return on the resources of the OCS.

This Act empowers the Secretary of Interior to grant leases to the highest qualified bidder on the basis of sealed competitive bids and formulate regulations to carry out the provisions of the Act. This Act also provides guidelines for carrying out the OCS gas and oil development program.

The Mineral Management Services (MMS) was created within the Department of Interior to administer the gas and oil development program and to improve management of federal leases. The MMS was deemed the primary agency responsible for ensuring environmentally sound exploration and development of our offshore gas and oil.

The MMS manages the federal leases in the Gulf of Mexico and Atlantic OCS Regions. The Gulf of Mexico is divided into three regions, the western, middle and eastern planning areas. Since the creation of MMS, the program has brought in over 10.4 billion barrels of domestic oil and 115 trillion cubic feet of gas, 97 percent of which comes from the Gulf of Mexico. It is estimated that over 55,000 petroleum related workers are employed in the Gulf of Mexico offshore industry. The Eastern Gulf of Mexico Planning Area extends along the coast from Alabama to the Florida Keys. The Straits of Florida extend from the Florida Keys, around the eastern coast of Florida up to approximately Jacksonville. And the South Atlantic region extends from the Jacksonville area up to North Carolina.

In 1997 and 1999, Representative Porter Goss, U.S. Congress, introduced House Memorials 180 and 33, respectively, which provided that the Secretary of Interior shall not conduct any preleasing activities, sell any lease or approve any permit for exploration, production or drilling under the Outer Continental Shelf unless certain environmental studies are completed which show that there is a minimum level of uncertainty associated with the drilling activities. This House Memorial places restrictions on offshore drilling leases in the Eastern Gulf of Mexico; Straights of Florida and South Atlantic Planning Areas.

Currently, there are no active leases in the Straits of Florida Planning Area, there are approximately 7 leases in the South Atlantic Planning Area and there are 146 active leases in the Eastern Gulf of Mexico Planning Area.

Representative Goss' House Memorial would also create a Joint Task Force for the purpose of reviewing the environmental studies that are required prior to leasing and development of the outer shelf. Furthermore, it appropriates \$3,000,000 to the Secretary of Interior for FYs 1998-99 thru 2002-03 to carry out the purposes in this Act.

C. EFFECT OF PROPOSED CHANGES:

House Memorial 59, as filed in the Florida House of Representatives, does not effect Florida law. Instead, House Memorial 59 urges the U.S. Congress to pass Representative Goss' House Resolution 33 and place restrictions on federal offshore drilling leases.

Opponents of House Memorial 59 state that there should not be restrictions placed on offshore drilling leases since federal offshore drilling provides natural gas to Florida and the nation, and also produces revenue for the state and federal government.

Proponents of House Memorial 59 contend that federal offshore drilling should be prohibited until a comprehensive study measures historical, social and economic impacts of the outer shelf development on the gulf coast communities. Proponents of this memorial further contend that federal offshore drilling leases should be restricted since it opens an opportunity for spills and contamination in our Gulf, beaches, estuaries, environment and eventually, may reduce Florida's tourism economy.

D. SECTION-BY-SECTION ANALYSIS:

N/A

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

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V. COMMENTS:

N/A

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON ENVIRONMENTAL PROTECTION:

Prepared by:

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