

STORAGE NAME: h0059s1a.jud

DATE: December 7, 1999

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
JUDICIARY
ANALYSIS**

BILL #: CS/HM 59

RELATING TO: Leasing under the Outer Continental Shelf Lands Act

SPONSOR(S): Committee on Environmental Protection; Representatives C. Green; Sorensen; Maygarden and Others

TIED BILL(S):

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

- (1) ENVIRONMENTAL PROTECTION YEAS 13 NAYS 2
- (2) JUDICIARY YEAS 7 NAYS 1
- (3) RULES & CALENDAR
- (4)
- (5)

I. SUMMARY:

In 1997 and 1999, Representative Porter Goss, U.S. Congress, introduced House Resolution 180 and 33, respectively, which placed restrictions on leases for offshore drilling. More specifically, House Resolution 33 provides that the Secretary of the 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 (OCS) 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, Straits of Florida, and South Atlantic Planning Areas. Florida does not have jurisdiction over these leases.

CS/HM 59 urges Congress to pass H.R. 33 as introduced by Representative Goss and 22 other members of the Florida Delegation to Congress and further states 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"/> |

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 nine miles off of Florida's coast. Florida's jurisdiction into the Atlantic ocean extends three nautical miles. The OCS 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)).

Congress divided the OCS into four regions: Gulf of Mexico, Atlantic, Pacific, and Alaska OCS regions. In 1953, Congress amended the OCS Lands Act (Act), 43 U.S.C. 1331, and directed the Secretary of the Interior to govern and administer mineral exploration and development of the entire OCS. 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;
- 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 the 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 gas and oil development programs and to improve management of federal leases. The MMS was deemed the primary agency responsible for ensuring environmentally sound exploration and development of the country's 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, and up to approximately Jacksonville. 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 Resolutions 180 and 33, respectively. The House Resolution 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 OCS unless certain environmental studies are completed which show that there is a minimum level of uncertainty associated with these drilling activities. The Resolution places restrictions on offshore drilling leases in the eastern Gulf of Mexico, Straits of Florida, and south Atlantic planning areas.

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

House Resolution 33 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 OCS. Furthermore, it appropriates \$3,000,000 to the Secretary of Interior for fiscal years 1998-99 through 2002-03 to carry out the purposes of the Act.

C. EFFECT OF PROPOSED CHANGES:

CS/HM 59 does not affect 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.

D. SECTION-BY-SECTION ANALYSIS:

N/A

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

None.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

None.

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

None.

V. COMMENTS:

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, and overall environment, and eventually may reduce Florida's tourism economy.

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A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

This bill does not raise any issues of concern for the Judiciary Committee.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On October 6, 1999, the Committee on Environmental Protection passed a Committee Substitute which provides that along with Representative Porter Goss, 22 members of the Florida Delegation to Congress (instead of the previous 11 members) introduced House Resolution 33.

VII. SIGNATURES:

COMMITTEE ON ENVIRONMENTAL PROTECTION:

Prepared by:

Christine Hoke

Staff Director:

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AS REVISED BY THE COMMITTEE ON JUDICIARY:

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