

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3284

To amend the Outer Continental Shelf Lands Act to provide for the inclusion of areas off the coast of South Carolina in the outer Continental Shelf leasing program for fiscal years 2012 through 2017, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 11, 2012

Mr. GRAHAM introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To amend the Outer Continental Shelf Lands Act to provide for the inclusion of areas off the coast of South Carolina in the outer Continental Shelf leasing program for fiscal years 2012 through 2017, 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 “South Carolina Off-  
5       shore Drilling Act”.

1 **SEC. 2. OUTER CONTINENTAL SHELF OIL AND GAS LEAS-**  
 2 **ING OFF THE COAST OF SOUTH CAROLINA.**

3 Section 18 of the Outer Continental Shelf Lands Act  
 4 (43 U.S.C. 1344) is amended by adding at the end the  
 5 following:

6 “(i) LEASING OFF THE COAST OF SOUTH CARO-  
 7 LINA.—

8 “(1) DEFINITIONS.—In this subsection:

9 “(A) QUALIFIED REVENUES.—The term  
 10 ‘qualified revenues’ means all rentals, royalties,  
 11 bonus bids, and other sums due and payable to  
 12 the United States under a lease sale conducted  
 13 under this subsection.

14 “(B) STATE.—The term ‘State’ means the  
 15 State of South Carolina.

16 “(2) AUTHORIZATION OF LEASE SALES.—The  
 17 Secretary shall include in the schedule of proposed  
 18 lease sales under the outer Continental Shelf leasing  
 19 program for fiscal years 2012 through 2017 pre-  
 20 pared under this section any areas located within the  
 21 administrative boundaries of the State that are more  
 22 than 50 miles off the coast of the State.

23 “(3) LEASING OF ADDITIONAL AREAS.—

24 “(A) PETITION.—The Governor of South  
 25 Carolina, with the concurrence of the State leg-  
 26 isature, may submit to the Secretary a petition

1           requesting that the Secretary make available for  
2           leasing any portion of the area within the ad-  
3           ministrative boundaries of the State that is  
4           more than 10, but less than 50, miles off the  
5           coast of the State.

6           “(B) ACTION BY SECRETARY.—Notwith-  
7           standing any other provision of law, the Sec-  
8           retary shall—

9                   “(i) not later than 90 days after the  
10                   date of receipt of a petition under subpara-  
11                   graph (A), approve the petition; and

12                   “(ii) on approval of the petition, make  
13                   the area available for leasing in accordance  
14                   with this subsection and any other applica-  
15                   ble provision of law.

16           “(C) FAILURE TO ACT.—If the Secretary  
17           fails to approve a petition in accordance with  
18           subparagraph (B), the petition shall be consid-  
19           ered to be approved as of the date that is 90  
20           days after the date of receipt of the petition.

21           “(D) TREATMENT.—Not later than 180  
22           days after the date on which a petition is ap-  
23           proved, or considered to be approved, under  
24           subparagraph (A) or (B), the Secretary shall—

1 “(i) treat the petition as a proposed  
2 revision to a leasing program under this  
3 section; and

4 “(ii) except as provided in subpara-  
5 graph (E), initiate a new 5-year outer Con-  
6 tinental Shelf oil and gas leasing program  
7 to replace the outer Continental Shelf oil  
8 and gas leasing program in effect as of  
9 that date, which shall include any lease  
10 sale for any area covered by the petition.

11 “(E) INCLUSION IN SUBSEQUENT  
12 PLANS.—

13 “(i) IN GENERAL.—If there are less  
14 than 18 months remaining in the 5-year  
15 outer Continental Shelf oil and gas leasing  
16 program described in subparagraph  
17 (D)(ii), the Secretary, without consultation  
18 with any State, shall include the areas cov-  
19 ered by the petition in lease sales under  
20 the proposed 5-year outer Continental  
21 Shelf oil and gas leasing program.

22 “(ii) ENVIRONMENTAL ASSESS-  
23 MENT.—Before modifying a 5-year outer  
24 Continental Shelf oil and gas leasing pro-  
25 gram for the next 5-year period, the Sec-

1           retary shall complete an environmental as-  
 2           sessment that describes any anticipated en-  
 3           vironmental effect of leasing in the area  
 4           covered by the petition.

5           “(4) PROHIBITION ON LEASING CERTAIN  
 6           AREAS.—

7           “(A) PETITION.—The Governor of the  
 8           State, with the concurrence of the State legisla-  
 9           ture, may submit to the Secretary a petition re-  
 10          questing that the Secretary prohibit the leasing  
 11          of areas within the administrative boundaries of  
 12          the State that are more than 50, but less than  
 13          100, miles off the coast of the State.

14          “(B) ACTION BY SECRETARY.—Not later  
 15          than 90 days after the date of receipt of a peti-  
 16          tion under subparagraph (A), the Secretary  
 17          shall approve the petition.”.

18   **SEC. 3. DISPOSITION OF QUALIFIED OUTER CONTINENTAL**  
 19                           **SHELF REVENUES.**

20          Section 18 of the Outer Continental Shelf Lands Act  
 21   (43 U.S.C. 1344) (as amended by section 2) is amended  
 22   by adding at the end the following:

23          “(j) REVENUE SHARING FOR ADDITIONAL AREAS.—

24                  “(1) BONUS BIDS.—If the Governor or legisla-  
 25          ture of a coastal State requests the Secretary to

1 allow leasing in an outer Continental Shelf area and  
2 the Secretary allows the leasing, the coastal State  
3 shall, without further appropriation or action, re-  
4 ceive 37.5 percent of any bonus bid paid for leasing  
5 rights in the area.

6 “(2) POST LEASING REVENUES.—In addition to  
7 bonus bids under paragraph (1), a State described  
8 in paragraph (1) shall receive, from leasing of the  
9 area, 37.5 percent of—

10 “(A) any lease rental payments;

11 “(B) any lease royalty payments;

12 “(C) any royalty proceeds from a sale of  
13 royalties taken in kind by the Secretary; and

14 “(D) any other revenues from a bidding  
15 system under section 8.

16 “(3) ALLOCATION AMONG COASTAL POLITICAL  
17 SUBDIVISIONS OF STATES.—The Secretary shall pay  
18 20 percent of the allocable share of each coastal  
19 State, as determined under this subsection, directly  
20 to certain coastal political subdivisions of the coastal  
21 State.

22 “(4) CONSERVATION ROYALTIES.—After mak-  
23 ing distributions in accordance with paragraphs (1)  
24 through (3), the Secretary shall, without further ap-  
25 propriation or action, distribute a conservation roy-

1 alty equal to 12.5 percent of Federal royalty reve-  
2 nues derived from an area leased under this section  
3 from all areas leased under this section for any year,  
4 into the land and water conservation fund estab-  
5 lished under section 2 of the Land and Water Con-  
6 servation Fund Act of 1965 (16 U.S.C. 460l-5) to  
7 provide financial assistance to States under section  
8 6 of that Act (16 U.S.C. 460l-8).

9 “(5) DEFICIT REDUCTION.—After making dis-  
10 tributions in accordance with paragraphs (1)  
11 through (4), the Secretary shall, without further ap-  
12 propriation or action, distribute an amount equal to  
13 50 percent of Federal royalty revenues derived from  
14 all areas leased under this section for any year, into  
15 direct Federal deficit reduction.”

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