

113TH CONGRESS  
2D SESSION

# S. 2409

To authorize the exploration, leasing, development, production, and economically feasible and prudent transportation of oil and gas in and from the Coastal Plain in Alaska.

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IN THE SENATE OF THE UNITED STATES

MAY 22, 2014

Ms. MURKOWSKI 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 authorize the exploration, leasing, development, production, and economically feasible and prudent transportation of oil and gas in and from the Coastal Plain in Alaska.

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 “American Energy Inde-  
5       pendence and Security Act of 2014”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

1           (1) COASTAL PLAIN.—The term “Coastal  
2 Plain” means the area described in appendix I to  
3 part 37 of title 50, Code of Federal Regulations.

4           (2) FEDERAL AGREEMENT.—The term “Fed-  
5 eral Agreement” means the Federal Agreement and  
6 Grant Right-of-Way for the Trans-Alaska Pipeline  
7 issued on January 23, 1974, in accordance with sec-  
8 tion 28 of the Mineral Leasing Act (30 U.S.C. 185)  
9 and the Trans-Alaska Pipeline Authorization Act  
10 (43 U.S.C. 1651 et seq.).

11           (3) FINAL STATEMENT.—The term “Final  
12 Statement” means the final legislative environmental  
13 impact statement on the Coastal Plain, dated April  
14 1987, and prepared pursuant to—

15                   (A) section 1002 of the Alaska National  
16 Interest Lands Conservation Act (16 U.S.C.  
17 3142); and

18                   (B) section 102(2)(C) of the National En-  
19 vironmental Policy Act of 1969 (42 U.S.C.  
20 4332(2)(C)).

21           (4) MAP.—The term “map” means the map en-  
22 titled “Arctic National Wildlife Refuge”, dated Sep-  
23 tember 2005, and prepared by the United States Ge-  
24 ological Survey.

1           (5) SECRETARY.—The term “Secretary”  
2 means—

3                   (A) the Secretary of the Interior; or

4                   (B) the designee of the Secretary.

5 **SEC. 3. LEASING PROGRAM FOR LAND WITHIN THE COAST-**  
6 **AL PLAIN.**

7           (a) IN GENERAL.—

8                   (1) AUTHORIZATION.—Congress authorizes the  
9 exploration, leasing, development, production, and  
10 economically feasible and prudent transportation of  
11 oil and gas in and from the Coastal Plain.

12                   (2) ACTIONS.—The Secretary shall take such  
13 actions as are necessary—

14                           (A) to establish and implement, in accord-  
15 ance with this Act, a competitive oil and gas  
16 leasing program that will result in an environ-  
17 mentally sound program for the exploration, de-  
18 velopment, and production of the oil and gas re-  
19 sources of the Coastal Plain; and

20                           (B) to administer this Act through regula-  
21 tions, lease terms, conditions, restrictions, pro-  
22 hibitions, stipulations, and other provisions  
23 that—

24                                   (i) ensure the oil and gas exploration,  
25 development, and production activities on

1 the Coastal Plain will result in no signifi-  
2 cant adverse effect on fish and wildlife,  
3 fish and wildlife habitat, subsistence re-  
4 sources, and the environment; and

5 (ii) require the application of the best  
6 commercially available technology for oil  
7 and gas exploration, development, and pro-  
8 duction to all exploration, development,  
9 and production operations under this Act  
10 in a manner that ensures the receipt of  
11 fair market value by the public for the  
12 mineral resources to be leased.

13 (b) REPEAL.—

14 (1) REPEAL.—Section 1003 of the Alaska Na-  
15 tional Interest Lands Conservation Act (16 U.S.C.  
16 3143) is repealed.

17 (2) CONFORMING AMENDMENT.—The table of  
18 contents contained in section 1 of that Act (16  
19 U.S.C. 3101 note) is amended by striking the item  
20 relating to section 1003.

21 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-  
22 TAIN OTHER LAWS.—

23 (1) COMPATIBILITY.—For purposes of the Na-  
24 tional Wildlife Refuge System Administration Act of  
25 1966 (16 U.S.C. 668dd et seq.)—

1 (A) the oil and gas preleasing and leasing  
2 program, and activities authorized by this sec-  
3 tion in the Coastal Plain, shall be considered to  
4 be compatible with the purposes for which the  
5 Arctic National Wildlife Refuge was established;  
6 and

7 (B) no further findings or decisions shall  
8 be required to implement that program and  
9 those activities.

10 (2) ADEQUACY OF THE DEPARTMENT OF THE  
11 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT  
12 STATEMENT.—The Final Statement shall be consid-  
13 ered to satisfy the requirements under the National  
14 Environmental Policy Act of 1969 (42 U.S.C. 4321  
15 et seq.) that apply with respect to preleasing, includ-  
16 ing exploration programs and actions authorized to  
17 be taken by the Secretary to develop and promulgate  
18 the regulations for the establishment of a leasing  
19 program authorized by this Act before the conduct  
20 of the first lease sale.

21 (3) COMPLIANCE WITH NEPA FOR OTHER AC-  
22 TIONS.—

23 (A) IN GENERAL.—Before conducting the  
24 first lease sale under this Act, the Secretary  
25 shall prepare an environmental impact state-

1           ment in accordance with the National Environ-  
2           mental Policy Act of 1969 (42 U.S.C. 4321 et  
3           seq.) with respect to the actions authorized by  
4           this Act that are not referred to in paragraph  
5           (2).

6           (B) IDENTIFICATION AND ANALYSIS.—

7           Notwithstanding any other provision of law, in  
8           carrying out this paragraph, the Secretary shall  
9           not—

10           (i) identify nonleasing alternative  
11           courses of action; or

12           (ii) analyze the environmental effects  
13           of those courses of action.

14           (C) IDENTIFICATION OF PREFERRED AC-

15           TION.—Not later than 1 year after the date of  
16           enactment of this Act, the Secretary shall iden-  
17           tify only a preferred action and a single leasing  
18           alternative for the first lease sale authorized  
19           under this Act.

20           (D) EFFECT OF COMPLIANCE.—Notwith-

21           standing any other provision of law, compliance  
22           with this paragraph shall be considered to sat-  
23           isfy all requirements for the analysis and con-  
24           sideration of the environmental effects of pro-  
25           posed leasing under this Act.

1 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-  
2 ITY.—Nothing in this Act expands or limits any State or  
3 local regulatory authority.

4 (e) LIMITATION ON CLOSED AREAS.—The Secretary  
5 shall not close land within the Coastal Plain to oil and  
6 gas leasing or to exploration, development, or production  
7 except in accordance with this Act.

8 (f) REGULATIONS.—Not later than 1 year after the  
9 date of enactment of this Act, in consultation with the  
10 State of Alaska, the North Slope Borough, Alaska, and  
11 the Arctic Slope Regional Corporation, the Secretary shall  
12 promulgate such regulations as are necessary to carry out  
13 this Act.

14 **SEC. 4. LEASE SALES.**

15 (a) IN GENERAL.—Land may be leased pursuant to  
16 this Act to any person qualified to obtain a lease for depos-  
17 its of oil and gas under the Mineral Leasing Act (30  
18 U.S.C. 181 et seq.).

19 (b) PROCEDURES.—The Secretary shall, by regula-  
20 tion, establish procedures for—

21 (1) receipt and consideration of sealed nomina-  
22 tions for any area in the Coastal Plain for inclusion  
23 in a lease sale;

24 (2) the holding of lease sales after the nomina-  
25 tion process described in paragraph (1); and

1           (3) public notice of and comment on designa-  
2           tion of areas to be included in, or excluded from, a  
3           lease sale.

4           (c) LEASE SALE BIDS.—Bidding for leases under  
5 this Act shall be by sealed competitive cash bonus bids.

6           (d) ACREAGE MINIMUM IN FIRST SALE.—For the  
7 first lease sale under this Act, the Secretary shall offer  
8 for lease those tracts the Secretary considers to have the  
9 greatest potential for the discovery of hydrocarbons, tak-  
10 ing into consideration nominations received pursuant to  
11 subsection (b)(1), but in no case less than 200,000 acres.

12          (e) TIMING OF LEASE SALES.—The Secretary  
13 shall—

14           (1) not later than 18 months after the date of  
15 enactment of this Act, conduct the first lease sale  
16 under this Act;

17           (2) not later than 1 year after the date on  
18 which the first lease sale is conducted under para-  
19 graph (1), conduct a second lease sale under this  
20 Act; and

21           (3) conduct additional sales at appropriate in-  
22 tervals if sufficient interest in exploration or devel-  
23 opment exists to warrant the conduct of the addi-  
24 tional sales.

1 **SEC. 5. GRANT OF LEASES BY THE SECRETARY.**

2 (a) IN GENERAL.—Upon payment by a lessee of such  
3 bonus as may be accepted by the Secretary, the Secretary  
4 shall grant to the highest responsible qualified bidder in  
5 a lease sale conducted pursuant to section 4 a lease for  
6 any land on the Coastal Plain.

7 (b) SUBSEQUENT TRANSFERS.—

8 (1) IN GENERAL.—No lease issued under this  
9 Act may be sold, exchanged, assigned, sublet, or oth-  
10 erwise transferred except with the approval of the  
11 Secretary.

12 (2) CONDITION FOR APPROVAL.—Before grant-  
13 ing any approval described in paragraph (1), the  
14 Secretary shall consult with and give due consider-  
15 ation to the opinion of the Attorney General.

16 **SEC. 6. LEASE TERMS AND CONDITIONS.**

17 (a) IN GENERAL.—An oil or gas lease issued pursu-  
18 ant to this Act shall—

19 (1) provide for the payment of a royalty of not  
20 less than 12½ percent of the amount or value of the  
21 production removed or sold from the lease, as deter-  
22 mined by the Secretary in accordance with regula-  
23 tions applicable to other Federal oil and gas leases;

24 (2) provide that the Secretary, after consulta-  
25 tion with the State of Alaska, North Slope Borough,  
26 Alaska, and the Arctic Slope Regional Corporation,

1        may close, on a seasonal basis, such portions of the  
2        Coastal Plain to exploratory drilling activities as are  
3        necessary to protect caribou calving areas and other  
4        species of fish and wildlife;

5            (3) require that each lessee of land within the  
6        Coastal Plain shall be fully responsible and liable for  
7        the reclamation of land within the Coastal Plain and  
8        any other Federal land that is adversely affected in  
9        connection with exploration, development, produc-  
10       tion, or transportation activities within the Coastal  
11       Plain conducted by the lessee or by any of the sub-  
12       contractors or agents of the lessee;

13           (4) provide that the lessee may not delegate or  
14       convey, by contract or otherwise, the reclamation re-  
15       sponsibility and liability described in paragraph (3)  
16       to another person without the express written ap-  
17       proval of the Secretary;

18           (5) provide that the standard of reclamation for  
19       land required to be reclaimed under this Act shall  
20       be, to the maximum extent practicable—

21            (A) a condition capable of supporting the  
22            uses that the land was capable of supporting  
23            prior to any exploration, development, or pro-  
24            duction activities; or

1 (B) upon application by the lessee, to a  
2 higher or better standard, as approved by the  
3 Secretary;

4 (6) contain terms and conditions relating to  
5 protection of fish and wildlife, fish and wildlife habi-  
6 tat, subsistence resources, and the environment as  
7 required under section 3(a)(2); and

8 (7) provide that each lessee, and each agent  
9 and contractor of a lessee, shall use their best ef-  
10 forts to provide a fair share of employment and con-  
11 tracting for Alaska Natives and Alaska Native Cor-  
12 porations from throughout the State of Alaska, as  
13 determined by the level of obligation previously  
14 agreed to in the Federal Agreement.

15 (b) PROJECT LABOR AGREEMENTS.—The Secretary,  
16 as a term and condition of each lease under this Act, and  
17 in recognizing the proprietary interest of the Federal Gov-  
18 ernment in labor stability and in the ability of construction  
19 labor and management to meet the particular needs and  
20 conditions of projects to be developed under the leases  
21 issued pursuant to this Act (including the special concerns  
22 of the parties to those leases), shall require that each les-  
23 see, and each agent and contractor of a lessee, under this  
24 Act negotiate to obtain a project labor agreement for the

1 employment of laborers and mechanics on production,  
2 maintenance, and construction under the lease.

3 **SEC. 7. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

4 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD  
5 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—

6 In accordance with section 3, the Secretary shall admin-  
7 ister this Act through regulations, lease terms, conditions,  
8 restrictions, prohibitions, stipulations, or other provisions  
9 that—

10 (1) ensure, to the maximum extent practicable,  
11 that oil and gas exploration, development, and pro-  
12 duction activities on the Coastal Plain will result in  
13 no significant adverse effect on fish and wildlife, fish  
14 and wildlife habitat, subsistence resources, and the  
15 environment;

16 (2) require the application of the best commer-  
17 cially available technology for oil and gas explo-  
18 ration, development, and production on all new ex-  
19 ploration, development, and production operations;  
20 and

21 (3) ensure that the maximum surface acreage  
22 covered in connection with the leasing program by  
23 production and support facilities, including airstrips  
24 and any areas covered by gravel berms or piers for

1 support of pipelines, does not exceed 2,000 acres on  
2 the Coastal Plain.

3 (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—

4 The Secretary shall require, with respect to any proposed  
5 drilling and related activities on the Coastal Plain, that—

6 (1) a site-specific environmental analysis be  
7 made of the probable effects, if any, that the drilling  
8 or related activities will have on fish and wildlife,  
9 fish and wildlife habitat, subsistence resources, and  
10 the environment;

11 (2) a plan be implemented to avoid, minimize,  
12 and mitigate (in that order and to the maximum ex-  
13 tent practicable) any significant adverse effect iden-  
14 tified under paragraph (1); and

15 (3) the development of the plan occur after con-  
16 sultation with—

17 (A) each agency having jurisdiction over  
18 matters mitigated by the plan;

19 (B) the State of Alaska;

20 (C) North Slope Borough, Alaska; and

21 (D) the Arctic Slope Regional Corporation.

22 (c) REGULATIONS TO PROTECT COASTAL PLAIN  
23 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,  
24 AND THE ENVIRONMENT.—Before implementing the leas-  
25 ing program authorized by this Act, the Secretary shall

1 prepare and promulgate regulations, lease terms, condi-  
2 tions, restrictions, prohibitions, stipulations, or other  
3 measures designed to ensure, to the maximum extent prac-  
4 ticable, that the activities carried out on the Coastal Plain  
5 under this Act are conducted in a manner consistent with  
6 the purposes and environmental requirements of this Act.

7 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-  
8 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The  
9 regulations, lease terms, conditions, restrictions, prohibi-  
10 tions, and stipulations for the leasing program under this  
11 Act shall require—

12 (1) compliance with all applicable provisions of  
13 Federal and State environmental law (including reg-  
14 ulations); and

15 (2) implementation of and compliance with—

16 (A) standards that are at least as effective  
17 as the safety and environmental mitigation  
18 measures, as described in items 1 through 29  
19 on pages 167 through 169 of the Final State-  
20 ment;

21 (B) reclamation and rehabilitation require-  
22 ments in accordance with this Act for the re-  
23 moval from the Coastal Plain of all oil and gas  
24 development and production facilities, struc-  
25 tures, and equipment on completion of oil and

1 gas production operations, except in a case in  
 2 which the Secretary determines that those fa-  
 3 cilities, structures, or equipment—

4 (i) would assist in the management of  
 5 the Arctic National Wildlife Refuge; and

6 (ii) are donated to the United States  
 7 for that purpose; and

8 (C) reasonable stipulations for protection  
 9 of cultural and archaeological resources.

10 (e) ACCESS TO PUBLIC LAND.—The Secretary  
 11 shall—

12 (1) manage public land in the Coastal Plain in  
 13 accordance with subsections (a) and (b) of section  
 14 811 of the Alaska National Interest Lands Con-  
 15 servation Act (16 U.S.C. 3121); and

16 (2) ensure that local residents shall have rea-  
 17 sonable access to public land in the Coastal Plain for  
 18 traditional uses.

19 **SEC. 8. FEDERAL AND STATE DISTRIBUTION OF REVENUES.**

20 (a) IN GENERAL.—Notwithstanding any other provi-  
 21 sion of law, of the amount of bonus, rental, and royalty  
 22 revenues from oil and gas leasing and operations author-  
 23 ized under this Act—

24 (1) 50 percent shall be paid to the State of  
 25 Alaska; and

1           (2) the balance shall be deposited in the Treas-  
2           ury of the United States.

3           (b) PAYMENTS TO ALASKA.—Payments to the State  
4 of Alaska under this section shall be made on a monthly  
5 basis.

6 **SEC. 9. RIGHTS-OF-WAY AND EASEMENTS ACROSS COASTAL**  
7 **PLAIN.**

8           For purposes of section 1102(4)(A) of the Alaska Na-  
9           tional Interest Lands Conservation Act (16 U.S.C.  
10 3162(4)(A)), any rights-of-way or easements across the  
11 Coastal Plain for the exploration, development, produc-  
12 tion, or transportation of oil and gas shall be considered  
13 to be established incident to the management of the Coast-  
14 al Plain under this section.

15 **SEC. 10. CONVEYANCE.**

16           Notwithstanding section 1302(h)(2) of the Alaska  
17 National Interest Lands Conservation Act (16 U.S.C.  
18 3192(h)(2)), to remove any cloud on title to land, and to  
19 clarify land ownership patterns in the Coastal Plain, the  
20 Secretary shall—

21           (1) to the extent necessary to fulfill the entitle-  
22           ment of the Kaktovik Inupiat Corporation under sec-  
23           tions 12 and 14 of the Alaska Native Claims Settle-  
24           ment Act (43 U.S.C. 1611, 1613), as determined by  
25           the Secretary, convey to that Corporation the sur-

1 face estate of the land described in paragraph (1) of  
2 Public Land Order 6959, in accordance with the  
3 terms and conditions of the agreement between the  
4 Secretary, the United States Fish and Wildlife Service,  
5 the Bureau of Land Management, and the  
6 Kaktovik Inupiat Corporation, dated January 22,  
7 1993; and

8 (2) convey to the Arctic Slope Regional Corporation  
9 the remaining subsurface estate to which  
10 that Corporation is entitled under the agreement between  
11 that corporation and the United States, dated  
12 August 9, 1983.

○