

**CALENDAR ITEM  
115**

A Federal

03/29/12

S Federal

S. Pemberton

**PROPOSED LEGISLATION**

**INTRODUCTION:**

State Lands Commission staff has been reviewing various legislative proposals introduced in the 112th Congress that involve lands under the Commission's jurisdiction. This report describes: 1) the Protecting Investment in Oil Shale the Next Generation of Environmental, Energy, and Resource Security Act (H.R. 3408); 2) the Energy Security and Transportation Jobs Act (H.R. 3410); and, 3) the American Energy and Infrastructure Jobs Act of 2012 (H.R. 7), and proposes a Resolution for the Commission to consider adopting in opposition to the provisions of these bills that expand offshore oil and gas leasing in California, as well as any other bill with similar provisions.

**LEGISLATIVE PROPOSALS:**

**House Bill 3408 (Lamborn): Protecting Investment in Oil Shale the Next Generation of Environmental, Energy, and Resource Security Act/House Bill 3410 (Stivers): the Energy Security and Transportation Jobs Act/ House Bill 7 (Mica): the American Energy and Infrastructure Jobs Act of 2012.**

**SUMMARY:**

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109-59; SAFETEA-LU) is a funding and authorization bill that governs United States federal surface transportation spending. It was signed into law on August 10, 2005, and expired as of September 30, 2009. Congress has renewed its funding formulas several times since its expiration date, and is currently working on a replacement bill, as the existing authorization is scheduled to expire on March 31, 2012. Congress must pass new legislation before this date to fund investments in the nation's transportation infrastructure, including roads, bridges, rails, runways and ports.

H.R. 3410, the Energy Security and Transportation Jobs Act, H.R. 3408, the Protecting Investment in Oil Shale the Next Generation of Environmental, Energy

## **CALENDAR ITEM NO. 115 (CONT'D)**

and Resource Security Act (PIONEERS Act), and H.R. 7, the American Energy and Infrastructure Jobs Act, would, in part, use revenue from expanded offshore oil and gas leasing in areas off the Atlantic and Pacific coasts to fund transportation projects that are part of the SAFETEA-LU reauthorization bill.

H.R. 3410, in part, requires the Secretary of the Interior to offer for sale leases of tracts in the Southern California Planning Area in the Santa Maria and Santa Barbara/Ventura basins for offshore oil drilling by July 1, 2014, even though they are not included in the Outer Continental Shelf (OCS) 2012-2017 lease plan. The bill also removes California's authority under the Coastal Zone Management Act (CZMA) to review any proposed OCS oil and gas leases and projects that have the potential to impact state waters, as well as undercutting the important public and environmental review process of offshore drilling activities under the National Environmental Policy Act (NEPA). Both the CZMA and NEPA were enacted following the 1969 oil spill off the Santa Barbara coast.

H.R. 3408 includes the same provisions in H.R. 3410 that require the Secretary of the Interior to offer for sale leases of tracts in the Southern California Planning Area in the Santa Maria and Santa Barbara/Ventura basins for offshore oil drilling leases by July 1, 2014, even though they are not included in the OCS 2012-2017 lease plan. It also removes California's authority under the CZMA to review any proposed OCS oil and gas leases and projects that have the potential to impact state waters, as well as undercutting the important public and environmental review process of offshore drilling activities under NEPA. Additionally, H.R. 3408 establishes rules for the development of United States oil shale resources, for the promotion of shale technology research and development, and requires the Secretary of the Interior to hold a minimum of 5 separate commercial lease sales in areas considered to have the most potential for oil shale development.

Finally, H.R. 7 authorizes \$260 billion in federal transportation programs over the next five years. It also covers two separate bills that are intended to pay for some of that spending: H.R. 3813, the Securing Annuities for Federal Employees (SAFE) Act, which requires federal workers to pay more for their retirement, and H.R. 3408, the Protecting Investment in Oil Shale, the Next Generation of Environmental, Energy and Resource Security (PIONEERS) Act, which expands offshore oil leasing in California and encourages oil shale production, both of which are intended to offset the cost of new transportation spending.

This suite of bills would mandate new oil and gas leasing operations off the California coast and along the entire continental shelf on the east and west coasts.

Since 2001, the Commission has passed ten resolutions opposing the resumption or expansion of federal offshore oil and gas leasing operations. These resolutions

## **CALENDAR ITEM NO. 115 (CONT'D)**

document the Commission's belief that additional offshore oil and gas leasing and development threatens the environment, prevents the nation from reducing its dependency on fossil fuels, contributes to the emission of greenhouse gases, and adversely affects tourism and fisheries.

### **OTHER PERTINENT INFORMATION:**

The Senate approved its version of the surface transportation reauthorization bill (S. 1813) that would fund road and bridge projects for the next two years on March 14, 2012, on a 74-22 vote. The House, however, has indicated it will consider a short-term extension of the current highway funding bill, instead of the Senate bill approved in a bipartisan vote.

In the process of approving S. 1813, the Senate blocked several amendments that would have mandated offshore oil drilling off every coast in our nation, opened the Arctic National Wildlife Refuge to drilling, and approved construction of the Keystone XL oil sands pipeline.

H.R. 3408 was approved by the House on February 16, 2012, by a vote of 237-187. H.R. 3410 was approved by the House Natural Resources Committee on February 1, 2012, by a vote of 25-19. H.R. 7 was approved by the House on February 15, 2012 on a vote of 235-186.

### **IT IS RECOMMENDED THAT THE COMMISSION:**

1. Adopt the Resolution in opposition to the expanded offshore oil and gas leasing provisions in congressional bills, including H.R. 3408, H.R. 3410, and H.R. 7, attached hereto as Exhibit A.

## EXHIBIT A

### RESOLUTION OF THE CALIFORNIA STATE LANDS COMMISSION IN OPPOSITION TO ANY BILL IN CONGRESS THAT WOULD RESULT IN OPENING THE CALIFORNIA COAST TO NEW OFFSHORE OIL LEASING IN THE OUTER CONTINENTAL SHELF, INCLUDING (H.R. 3408, THE PROTECTING INVESTEMENT IN OIL SHALE THE NEXT GENERATION OF ENVIRONMENTAL, ENERGY, AND RESOURCE SECURITY ACT, H.R. 3410, THE ENERGY SECURITY AND TRANSPORTATION JOBS ACT, AND H.R. 7, THE AMERICAN ENERGY AND INFRASTRUCTURE JOBS ACT OF 2012)

**WHEREAS**, the California coast, stretching over 1,100 miles, is a region blessed with an abundance of rich and diverse resources including its beautiful beaches, unique natural habitats, bustling ports, and world famous tourist attractions; it is truly a special place for its residents, visitors, businesses, and wildlife; and

**WHEREAS**, California's beaches, bays, and ocean are major attractions, making the multi-billion dollar tourism industry in California a vital part of the national, state and local economies; and

**WHEREAS**, California has the largest ocean economy in the United States, ranking first overall for both employment and gross state product, and containing the first, second, and fifth busiest ports in the country; and

**WHEREAS**, California's coast supports a wide array of wildlife and habitat, including threatened and endangered species; and

**WHEREAS**, oil spills pose a significant threat to California's marine environment, economy, and tourism by polluting water and land, killing wildlife, destroying marine habitat, closing beaches, and restricting public access, water related recreation, fishing/trapping activities and ship movement; and

**WHEREAS**, the California's marine environments have suffered from significant disasters such as the 1969 Santa Barbara oil spill, which spewed more than 3 million gallons of crude oil into the Pacific Ocean from an offshore platform in federal waters, and the 2007 Cosco Busan oil spill, which dumped approximately 58,000 gallons of medium grade fuel oil in the San Francisco Bay; and

**WHEREAS**, the California State Lands Commission (Commission) has exclusive jurisdiction over all ungranted tide and submerged lands owned by the state, and of the beds of navigable rivers, streams, lakes, bays, estuaries, inlets, and straits; and

**WHEREAS**, the Commission serves the people of California by managing lands, waterways, and resources entrusted to its care through economic development, protection, preservation, and restoration; and

## EXHIBIT A

**WHEREAS**, the Commission has exercised its stewardship by expressly supporting the former presidential and congressional moratoria on oil and gas leasing within protected offshore areas; and

**WHEREAS**, since 1968, prior to the Santa Barbara oil spill from a federal OCS platform, the Commission has not entered into any new offshore oil and gas leases; and

**WHEREAS**, the Commission formally imposed its own offshore oil and gas leasing moratorium in 1988 and 1989; and

**WHEREAS**, since 2001, the Commission has passed ten resolutions opposing the resumption or expansion of federal offshore oil and gas leasing operations; and

**WHEREAS**, the Commission believes that additional offshore oil and gas leasing and development threatens the environment, prevents the nation from reducing its dependency on fossil fuels, contributes to the emission of greenhouse gases, and adversely affects tourism and fisheries; and

**WHEREAS**, beginning in 1921, and many times since, the California Legislature has enacted laws that set aside offshore areas where oil and gas leasing was generally prohibited; and

**WHEREAS**, in 1994, the Legislature created the California Coastal Sanctuary, which included all of the state's coastal waters, and prohibited new oil and gas leases in the Sanctuary, finding that offshore oil and gas development in certain areas of state waters poses an unacceptable high risk of damage and disruption to the marine environment of the state; and

**WHEREAS**, in 2006, the Governors of California, Washington, and Oregon formed the West Coast Governors' Agreement On Ocean Health and released an action plan that opposes new offshore oil and gas development; and

**WHEREAS**, two years ago the devastating effects of an oil spill were unfortunately realized once again when British Petroleum's Deepwater Horizon offshore oil facility in the Gulf of Mexico exploded on April 20, 2010, leaving 11 oil workers dead, 17 injured, and spewed an estimated 62,000 barrels of oil a day for over 80 days, totaling 4.9 million barrels or 205.8 million gallons, making the spill the worst in United States history; and

**WHEREAS**, the Bureau of Ocean Energy Management, Regulation and Enforcement's revised Outer Continental Shelf (OCS) oil and gas leasing strategy for 2012-2017 does not include any plans for new leasing along the California Coast; and

## EXHIBIT A

**WHEREAS**, H.R. 3408, the Protecting Investment in Oil Shale the Next Generation of Environmental, Energy, and Resource Security Act, would, among other things, require the Secretary of the Interior to offer for sale leases of tracts in the Southern California Planning Area in the Santa Maria and Santa Barbara/Ventura Basins for offshore oil drilling leases by July 1, 2014, even though they are not included in the OCS 2012 - 2017 lease plan, limit California's authority under the Coastal Zone Management Act to review any proposed OCS oil and gas leases and projects that have the potential to impact state waters, and undercut the important public and environmental review process of offshore drilling activities under the National Environmental Policy Act; and,

**WHEREAS**, H.R. 3410, the Energy Security and Transportation Jobs Act, would, among other things, require the Secretary of the Interior to offer for sale leases of tracts in the Southern California Planning Area in the Santa Maria and Santa Barbara/Ventura basins for offshore oil drilling by July 1, 2014, even though they are not included in the OCS 2012-2017 lease plan, limit California's authority under the Coastal Zone Management Act to review any proposed OCS oil and gas leases and projects that have the potential to impact state waters, and undercut the important public and environmental review process of offshore drilling activities under the National Environmental Policy Act; and,

**WHEREAS**, H.R. 7, the American Energy and Infrastructure Jobs Act of 2012, would take the unprecedented step of connecting oil drilling to transportation funding; and,

**WHEREAS**, on April 28, 2011, the Commission passed a resolution opposing federal legislation that reversed President Obama's Offshore Moratorium Act and requesting that the federal government prohibit new offshore oil and gas leasing off the coast of California and continue to move forward with renewable energy development; and,

**WHEREAS**, the Commission believes that the federal government should be shifting its focus from OCS oil and gas leasing to the development of renewable energy sources; now therefore, be it

**RESOLVED** by the California State Lands Commission that it opposes enactment of any bill that reverses President Obama's Offshore Moratorium Act, including H.R. 3408, H.R. 3410, and H.R. 7; and be it further

**RESOLVED**, that it requests that the federal government prohibit new offshore oil and gas leasing off the coast of California and continue to move forward with renewable energy development; and be it further

**RESOLVED**, that the Commission's Executive Officer transmit copies of this resolution to the President and Vice President of the United States, to the Governor of California, to the Majority and Minority Leaders of the United States Senate, to the Speaker and Minority Leader of the United States House of Representatives, and to each Senator and Representative from California in the Congress of the United States.