

109TH CONGRESS
2D SESSION

S. _____

To amend the Outer Continental Shelf Lands Act to provide for payments
for producing coastal States.

IN THE SENATE OF THE UNITED STATES

Ms. LANDRIEU introduced the following bill; which was read twice and
referred to the Committee on _____

A BILL

To amend the Outer Continental Shelf Lands Act to provide
for payments for producing coastal States.

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 “Gulf Coast Protection
5 Act of 2006”.

6 **SEC. 2. PAYMENTS TO COASTAL PRODUCING STATES.**

7 The Outer Continental Shelf Lands Act (43 U.S.C.
8 1301 et seq.) is amended by adding at the end the fol-
9 lowing:

1 **“SEC. 32. PAYMENTS TO COASTAL PRODUCING STATES.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) COASTAL POLITICAL SUBDIVISION.—The
4 term ‘coastal political subdivision’ means a political
5 subdivision of a coastal State, any part of which is
6 located—

7 “(A) within the coastal zone (as defined in
8 section 304 of the Coastal Zone Management
9 Act of 1972 (16 U.S.C. 1453)) of the coastal
10 State as of the date of enactment of this sec-
11 tion; and

12 “(B) not more than 200 nautical miles
13 from the geographic center of any leased tract.

14 “(2) COASTAL STATE.—The term ‘coastal
15 State’ has the meaning given the term in section
16 304 of the Coastal Zone Management Act of 1972
17 (16 U.S.C. 1453).

18 “(3) COASTAL PRODUCING STATE.—

19 “(A) IN GENERAL.—The term ‘coastal pro-
20 ducing State’ means a coastal State that has a
21 coastal seaward boundary within 200 nautical
22 miles of the geographic center of a leased tract
23 within any area of the outer Continental Shelf.

24 “(B) EXCLUSION.—The term ‘coastal pro-
25 ducing State’ does not include any State a ma-

1 jority of the coastline of which is subject to
2 leasing moratoria as of January 1, 2006.

3 “(4) LEASED TRACT.—The term ‘leased tract’
4 means a tract—

5 “(A) maintained under section 6; or

6 “(B) leased under section 8.

7 “(5) QUALIFIED OUTER CONTINENTAL SHELF
8 REVENUES.—

9 “(A) IN GENERAL.—The term ‘qualified
10 outer Continental Shelf revenues’ means the
11 amounts received by the United States from
12 each leased tract or portion of a leased tract—

13 “(i) lying—

14 “(I) seaward of the zone covered
15 by section 8(g); or

16 “(II) within that zone, but to
17 which section 8(g) does not apply; and

18 “(ii) the geographic center of which
19 lies within 200 nautical miles from any
20 part of the coastline of any coastal State.

21 “(B) INCLUSIONS.—The term ‘qualified
22 outer Continental Shelf revenues’ includes
23 bonus bids, rents, royalties (including payments
24 for royalty taken in-kind and sold), net profit
25 share payments, and related late-payment inter-

1 est from natural gas and oil leases issued under
2 this Act.

3 “(C) EXCLUSION.—The term ‘qualified
4 outer Continental Shelf revenues’ does not in-
5 clude any revenues from a leased tract or por-
6 tion of a leased tract that is located in a geo-
7 graphic area subject to a leasing moratorium as
8 of January 1, 2006, unless the lease was in
9 production on that date.

10 “(b) DISBURSEMENTS.—

11 “(1) IN GENERAL.—Notwithstanding any other
12 provision of law, not later than December 31, 2006,
13 and annually thereafter, the Secretary of the Treas-
14 ury, without further appropriation and subject to
15 subjection (c), shall disburse to coastal producing
16 States 50 percent of qualified outer Continental
17 Shelf revenues received during the preceding year.

18 “(2) PROPORTIONAL ALLOCATIONS.—

19 “(A) IN GENERAL.—Except as provided in
20 subparagraph (B), the amounts made available
21 under paragraph (1) shall be allocated to each
22 coastal producing State based on the ratio
23 that—

24 “(i) the amount of qualified outer
25 Continental Shelf revenues generated off

1 the coastline of the coastal producing
2 State; bears to

3 “(ii) the amount of qualified outer
4 Continental Shelf revenues generated off
5 the coastline of all coastal producing
6 States.

7 “(B) EXCEPTION FOR MULTIPLE COASTAL
8 PRODUCING STATES.—In a case in which more
9 than 1 coastal producing State is located within
10 200 nautical miles of any portion of a leased
11 tract, the amount allocated to each coastal pro-
12 ducing State for the leased tract shall be in-
13 versely proportional to the distance between—

14 “(i) the nearest point on the coastline
15 of the coastal producing State; and

16 “(ii) the geographic center of the
17 leased tract.

18 “(C) FORMULA.—Of the share of each
19 coastal producing State under this paragraph,
20 35 percent shall be allocated among and paid
21 directly to appropriate coastal political subdivi-
22 sions by the Secretary of the Treasury based on
23 the following formula:

24 “(i) 50 percent shall be allocated in
25 amounts that are inversely proportional to

1 the respective distances between the points
2 in each coastal political subdivision that
3 are closest to the geographic center of each
4 leased tract, as determined by the Sec-
5 retary.

6 “(ii) 25 per cent shall be allocated
7 based on the ratio that—

8 “(I) the length, in miles, of the
9 coastline of each coastal political sub-
10 division; bears to

11 “(II) the length, in miles, of the
12 coastline of all coastal political sub-
13 divisions of the State.

14 “(iii) 25 percent shall be allocated
15 based on the ratio that—

16 “(I) the coastal population of the
17 coastal political subdivision; bears to

18 “(II) the coastal population of all
19 coastal political subdivisions of the
20 State.

21 “(c) USE OF FUNDS.—A coastal producing State,
22 and a coastal political subdivision, shall use amounts re-
23 ceived under this section (including any amounts deposited
24 into a trust fund administered by the coastal producing
25 State or coastal political subdivision in accordance with

1 this subsection), only for 1 or more of the following pur-
2 poses:

3 “(1) To conserve, protect, or restore coastal
4 areas, including wetlands.

5 “(2) To mitigate damage to natural resources
6 and protect fish and wildlife in the coastal zone.

7 “(3) To mitigate the impact of outer Conti-
8 nental Shelf activity by providing onshore infrastruc-
9 ture or public service.

10 “(4) Hurricane protection, storm damage miti-
11 gation, and integrated flood control systems.

12 “(5) Levee construction and maintenance.

13 “(6) Marine and coastal subsidence.

14 “(7) Coastal and riverine erosion.

15 “(8) Coastal and wetlands conservation and
16 management.

17 “(9) Infrastructure for navigation, ports, and
18 transportation relating to trade, commerce, evacu-
19 ation, economic development, and public safety.

20 “(d) ADDITIONAL USE OF FUNDS.—Subject to sub-
21 section (c), a coastal producing State may use amounts
22 received under this section (including any amounts depos-
23 ited into a trust fund administered by the coastal pro-
24 ducing State or coastal political subdivision in accordance
25 with this subsection) to make any payment that is eligible

1 to be made with funds provided to States under section
2 35 of the Mineral Leasing Act (30 U.S.C. 191).”.