

Lawmakers consider expanding oil and gas leasing on the Outer Continental Shelf

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The Bureau of Ocean Energy Management (BOEM) estimates that 89.9 billion barrels of undiscovered, technically recoverable oil and 327.5 trillion cubic feet of undiscovered, technically recoverable gas resources are located on the Outer Continental Shelf (OCS) of the United States. However, in its current form, the 2017-2022 OCS Oil and Gas Leasing Program bars oil and gas exploration in the Atlantic, the Pacific, and much of the Alaskan OCS. Secretary of the Interior Ryan Zinke is leading the charge to consider all potential leasing areas on the OCS and revise the leasing schedule, as directed in an executive order by President Donald Trump earlier this year. Coastal governors and state lawmakers in Alaska, Georgia, North Carolina, and Virginia have indicated that their support of a revised OCS plan depends on the creation of a revenue-sharing program that would compensate their states for the cost of infrastructure required by OCS production and to mitigate the environmental risks presented by offshore development.

On October 11, the House Natural Resources Subcommittee on Energy and Mineral Resources met to review a draft of the Accessing Strategic Resources Offshore (ASTRO) Act, which seeks to expand access to oil and gas resources on the Outer Continental Shelf. Modeled after the revenue-sharing plan in the Gulf of Mexico Energy Security Act of 2006 (GOMESA), the bill would establish revenue sharing from oil and gas leasing for Virginia, North Carolina, South Carolina, and Alaska. The ASTRO Act would give the Secretary of the Interior the authority to conduct lease sales in areas outside an approved national leasing program. The Act would also limit the President's authority to withdraw OCS areas from leasing, and would prohibit the enforcement of the Arctic Rule, which is a 2016 rule that adds to regulations for exploratory drilling and other operations on the OCS off Alaska.

Proponents of the ASTRO Act emphasize that expanding oil and gas exploration on the OCS has the potential to ease the taxpayer burden and strengthen local and national economies. In fiscal year (FY) 2016, OCS revenues totaled \$2.8 billion, making up nearly half of all oil and gas revenues for the federal government. Senator Lisa Murkowski (R-AK), Chair of the Senate Committee on Energy and Natural Resources, supports expanding domestic energy production. However, other lawmakers and nongovernmental organizations have highly criticized the potential environmental, economic, and safety impacts of seismic testing and drilling in the OCS.

Sources: Bureau of Ocean Energy Management, U.S. House Committee on Natural Resources
