Department announces plans for U.S. Outer Continental Shelf Oil and Gas Leasing Program

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Secretary of the Interior Ryan Zinke announced on January 4 plans for the development of the National Outer Continental Shelf Oil and Gas Leasing Program (National OCS Program) for 2019-2024. The new Draft Proposed Program (DPP) aims to make more than 98 percent of the undiscovered, technically recoverable oil and gas resources in the OCS available for leasing and exploration. By comparison, the current 2017-2022 Program implemented by the Obama Administration makes available 70 percent of the OCS resources economically recoverable at an oil price of $40 per barrel and nearly one-half of all the estimated undiscovered, technically recoverable resources in the region.

The original 2015 draft of the Obama Administration’s 2017-2022 Program had included many of the same leasing areas as the new DPP for 2019-2024, with the notable exception of the Pacific, southern portion of the South Atlantic, and entire North Atlantic regions, but the final draft of the 2017-2022 Program was revised to remove those highly contested areas in Alaska and the Atlantic that are currently under scrutiny in the recently proposed program. The 2019-2024 DPP, which is the largest lease sale proposal for the National OCS Program to date, includes 47 potential sales in 25 offshore planning areas, of which 19 are in Alaska, 12 in the Gulf of Mexico, 9 in the Atlantic, and 7 in the Pacific.

Although this recent move to increase the nation’s offshore energy development is consistent with the current administration’s priorities as outlined in President Donald Trump’s Executive Order 13795, it is facing opposition on both sides of the aisle. Earlier this year, Representative Alan Lowenthal (D-CA-47) led a group of over 100 Democratic members of the House of Representatives in a letter urging Secretary Zinke to keep Atlantic and Pacific oceans off-limits to new oil and gas leases. Similarly, a number of Republican lawmakers representing some areas recently proposed for leasing have opposed Secretary Zinke’s OCS leasing plan. Representative Scott Taylor (R-VA-2) recently stated his opposition to the DPP due to the potential negative impacts it would cause to military operations and tourism in Virginia. Senators Susan Collins (R-ME) and Angus King (I-ME) also opposed the plan in an open letter arguing that drilling off the coast of Maine would harm the state’s fisheries and coastal resources.

Less than a week after release of the DPP, Secretary Zinke announced that all of Florida’s coastline would be removed from consideration in the proposed five-year leasing program. Of particular interest is the oil-rich area of the Gulf of Mexico within 125 miles off the western coast of Florida, which is subject to a congressional moratorium until 2022 as part of the Gulf of Mexico Energy Security Act of 2006 (GOMESA) (P.L. 109-432). Although Secretary Zinke had originally planned to reopen the area for lease after the expiration of the moratorium in 2022, when Governor Rick Scott (R-FL) met with Secretary Zinke on January 9, they informally came to an agreement that drilling in Florida’s eastern Gulf of Mexico and Atlantic regions would be taken off the table. Senator Bill Nelson (D-FL), a longtime proponent of restrictions on Florida offshore drilling, labeled the closed-door meeting between Secretary Zinke and Governor Scott as a “political stunt” that may have potentially violated administrative law. The sudden withdraw of Florida’s offshore areas following this meeting has prompted questions surrounding the seemingly preferential treatment given to the state and whether others will be allowed to follow suit.

The Bureau of Ocean Energy Management (BOEM) is accepting public comments on the DPP until March 9, 2018.

Sources: American Petroleum Institute; Associated Press; Bureau of Ocean Energy Management; Business Insider; Department of the Interior; Energy for Tomorrow; U.S. Senate; Washington Post