

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Environmental Preservation and Conservation

BILL: SR 550

INTRODUCER: Senator Broxson

SUBJECT: Gulf of Mexico Range Complex

DATE: January 12, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Mitchell</u>	<u>Rogers</u>	<u>EP</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>MS</u>	_____
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SR 550 pronounces that:

- The State of Florida must maintain a unified front in supporting an extension of the current moratorium on drilling in the Gulf of Mexico east of the Military Mission Line;
- Drilling east of the Military Mission Line would mean loss of range areas and possible relocation of aircraft and bases to other unrestricted range areas; and
- The Florida Senate supports an indefinite extension of the restriction, specified in the Gulf of Mexico Security Act (GOMESA), on oil and gas leasing in all areas east of the Military Mission Line established at 86°41' west longitude and an indefinite extension of the GOMESA's ban on oil and gas leasing within 125 miles of the Florida coastline in the Eastern Planning Area and in a portion of the Central Planning Area.

Resolutions are not subject to action by the Governor and do not have the effect of law. In addition, they are not subject to the constitutional single-subject limitation or title requirements.

II. Present Situation:

Gulf of Mexico Range Complex

Florida's 20 major military installations and defense business presence provide a nearly \$80 billion annual economic impact and account for 774,000 jobs in Florida.¹ Additionally, Florida houses 10 unified combatant commands and hosts two of only four Navy deep water ports in the United States with adjacent airfields, the military's only east coast space launch facility, the Marine Corps' only maritime prepositioning force facility, and one of only three Navy Fleet

¹ Enterprise Florida, *Florida's Military Profile*, available at http://www.enterpriseflorida.com/wp-content/uploads/Military_Install_Map.pdf (last visited January 9, 2018).

Readiness Centers, as well as several critical research, development, training and evaluation centers.²

Joint basing, joint usage, and joint training areas are vital to assessing the future of a military base. Florida's military bases are dependent on access to the air and sea space the Gulf of Mexico Range Complex (GOMEX Range Complex) provides. The GOMEX Range Complex is larger than all other training ranges inside the continental United States combined and has been in use for over 60 years. The GOMEX Range Complex stretches from the Florida Panhandle (commonly referred to as the Military Mission Line) south to Key West and encompasses 180,000 square miles in the eastern Gulf of Mexico.³ The GOMEX Range Complex "supports NAS Pensacola, NAS Whiting Field, Hurlburt Air Force Base, Duke Field, Eglin Air Force Base, NSA Panama City, Tyndall Air Force Base, MacDill Air Force Base, and NAS Key West missions, while also supporting joint live fire weapons and operational testing for the Air Force, Navy and Marine units from around the world."⁴ The GOMEX Range Complex also contains multiple live-fire bombing ranges, including Pinycastle Range, Avon Park Air Force Range, and Eglin Bombing Range, that allow for simultaneous maritime, air, and land training exercises.⁵

New technology and the need for more integrated realistic training missions are constantly changing in order to keep up with ever changing global threats. Consequently, Air Force and Navy ranges within the GOMEX Range Complex must keep pace to ensure they will be capable of handling the new aircraft and weapons requirements.⁶ Due to its capabilities of offering joint training exercises, access to sea and land, and close proximity to Florida's bases, the GOMEX Range Complex serves as a vital part of the Department of Defense's training strategies.

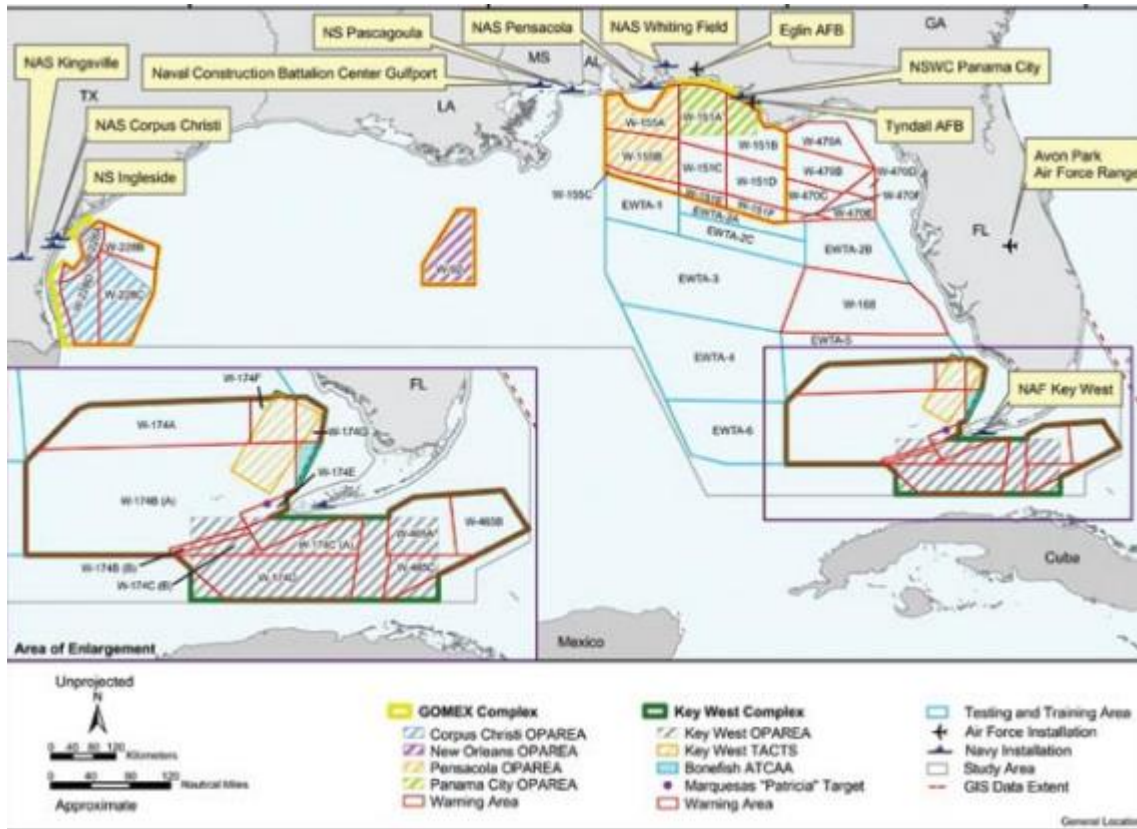
² Florida Defense Factbook, 5 (September 2015), available at <http://www.coj.net/departments/military-and-veterans-affairs/docs/2015-fl-defense-factbook-sept-2015.aspx> (last visited January 9, 2018).

³ Florida Defense Support Task Force White Paper, *Oil Drilling & Military Mission Compatibility*, 1 (January 2017), available at <https://www.enterpriseflorida.com/wp-content/uploads/FDSTF-White-Paper-Oil-Drilling-and-Military-Mission-Compatibility.pdf> (last visited January 9, 2018).

⁴ *Id.* at 2.

⁵ *Supra* note 2.

⁶ *Supra* note 3, at 3.



Oil Production in the Gulf of Mexico

Offshore drilling and oil exploration in the Gulf of Mexico began in the 1930s. According to the U.S. Department of Energy, in 2016 Gulf of Mexico offshore production accounted for seventeen percent of total U.S. crude oil production and five percent of total U.S. dry natural gas production.⁷

The federal government’s jurisdiction over submerged lands, subsoil, and seabed extends from the seaward extent of the state’s jurisdiction (between three International Nautical Miles and nine U.S. Nautical Miles from the territorial sea baseline) and the seaward limits defined under accepted principles of international law (generally 200 to 350 nautical miles from the territorial sea baseline). Florida’s jurisdiction extends nine U.S. Nautical Miles seaward off the Gulf coast.⁸ The Department of Interior’s Bureau of Ocean Energy Management is responsible for administering the National Outer Continental Shelf Oil and Gas Leasing Program for oil and gas lease sales proposed for planning areas of the U.S. Outer Continental Shelf. The program

⁷ U.S. Energy Information Administration website, *Gulf of Mexico Fact Sheet*, available at https://www.eia.gov/special/gulf_of_mexico/ (last visited January 9, 2018).

⁸ Department of the Interior Bureau of Ocean Energy Management website, *Outer Continental Shelf*, available at <https://www.boem.gov/Outer-Continental-Shelf/> (last visited January 9, 2018).

specifies the size, timing, and location of potential leasing activity that the Secretary of the Interior determines will best meet national energy needs.⁹

After the OPEC crisis in the 1970s and the September 11, 2001 attacks, interest in energy production, particularly domestic oil and natural gas, grew.¹⁰ The Department of Defense became concerned about the possibility of an unchecked expansion of oil drilling platforms in the eastern Gulf of Mexico conflicting with military training and weapons testing in the GOMEX Range Complex. In 2005, the Secretary of Defense sent a memo to the United States Senate Armed Services Committee stating the concern and said the Department of Defense would work with the Department of Interior to strike a balance between energy needs and national security goals.¹¹

Gulf of Mexico Energy Security Act of 2006

The Secretary of Defense's memo led to federal legislation limiting oil and gas production in the Gulf of Mexico. On December 20, 2006, the Gulf of Mexico Energy Security Act of 2006 (GOMESA)¹² was signed into law. GOMESA enhances Outer Continental Shelf oil and gas leasing activities and revenue sharing in the Gulf of Mexico by:

- Sharing leasing revenues with Gulf producing states and the Land & Water Conservation Fund for coastal restoration projects;
- Banning oil and gas leasing within 125 miles off the Florida coastline in the Eastern Gulf of Mexico Planning Area, and a portion of the Central Planning Area until 2022; and
- Allowing companies to exchange certain existing leases in moratorium areas for bonus and royalty credits to be used on other Gulf of Mexico leases.

Specifically, GOMESA restricts leasing activities that include portions of the Eastern Planning Area within 125 miles of Florida, all areas in the Gulf of Mexico east of the Military Mission Line (86° 41' west longitude), and the area within the Central Planning Area that is within 100 miles of Florida.¹³

Efforts to Revise the Moratorium

In 2013, the "Offshore Energy and Jobs Act was introduced to remove limits imposed by the GOMESA, including shortening the duration of the moratorium from 2022 to 2017. The bill passed the House of Representatives; however, it was never taken up in the Senate.¹⁴

⁹ Department of the Interior Bureau of Ocean Energy Management website, *National OCS Oil and Gas Leasing Program*, available at <https://www.boem.gov/National-OCS-Program/> (last visited January 9, 2018).

¹⁰ *Supra* note 3, at 2.

¹¹ *Supra* note 3, at 4.

¹² Gulf of Mexico Energy Security Act of 2006, Pub. L. No. 109-432, S. 3711, 109th Cong. (Dec. 20, 2006), available at <https://www.congress.gov/bill/109th-congress/senate-bill/3711> (last visited January 5, 2018).

¹³ Department of the Interior Bureau of Ocean Energy Management website, *Gulf of Mexico Energy Security Act*, available at <https://www.boem.gov/Revenue-Sharing/> (last visited 10/25/2017).

¹⁴ H.R. 2231, 113th Cong. (June 4, 2013). See <https://www.congress.gov/bill/113th-congress/house-bill/2231> (last visited January 5, 2018).

Two years later a similar bill, the “Offshore Energy and Jobs Act of 2015,” was filed. Among other things, the bill reduced the exclusion area east of the Military Mission Line from 125 miles to 50 miles off shore and reduced the area subject to the moratorium in the Central Planning Area off the coastline of Florida. The bill was never heard in the Senate.¹⁵

On April 28, 2017, President Trump signed an executive order with the intent to expand offshore drilling in the Arctic and Atlantic Oceans, in addition to assessing whether energy exploration can take place in marine sanctuaries in the Pacific and Atlantic.¹⁶ The order also directs the Secretary of the Interior, in consultation with the Secretary of Defense, to review “the schedule of proposed oil and gas lease sales...in the Western Gulf of Mexico, Central Gulf of Mexico, Chukchi Sea, Beaufort Sea, Cook Inlet, Mid-Atlanta, and the South Atlantic.”¹⁷ The executive order does not require a review of oil and gas lease sales in the eastern Gulf of Mexico; however, the oil industry is pushing to drill in the region.¹⁸

Subsequently, in October, 2017, Department of the Interior Secretary Zinke announced that the department is proposing “the largest oil and gas lease sale ever held in the United States, 76,967,935 acres in federal waters of the Gulf of Mexico, offshore of Texas, Louisiana, Mississippi, Alabama and Florida.”¹⁹ The proposed lease sale is scheduled for March 2018.²⁰

On January 4, 2018, Secretary Zinke announced a draft proposed National Outer Continental Shelf Oil and Gas Leasing Program that would make over 90 percent of the total outer continental shelf acreage and more than 98 percent of undiscovered, technically recoverable oil and gas resources in federal offshore areas available for future exploration and development. By contrast, the current oil and gas leasing program puts 94 percent of the outer continental shelf off limits. In addition to the largest number of lease sales in U.S. history, the proposed program announced in early January, 2018, includes two lease sales in portions of the Eastern and Central Gulf of Mexico after the expiration of the Congressional moratorium in 2022, making the majority of the Eastern Gulf of Mexico Planning Area available for leasing for the first time since 1988.²¹ However, news organizations report that on January 9, 2018, after meeting with Florida’s Governor Rick Scott, Secretary Zinke said that he would not allow offshore drilling in waters near Florida through 2024. A spokeswoman for the Department of Interior said that Gulf and Atlantic waters adjacent to Florida would be removed from consideration for the plan that covers drilling rights sales from 2019 to 2024.²²

¹⁵ S. 1276, 114th Cong. (May 11, 2015). See <https://www.congress.gov/bill/114th-congress/senate-bill/1276> (last visited January 5, 2018).

¹⁶ Executive Order 13795, available at <https://www.federalregister.gov/documents/2017/05/03/2017-09087/implementing-an-america-first-offshore-energy-strategy> (last visited January 5, 2018).

¹⁷ *Id.*

¹⁸ Timothy Cama, *Pentagon wants offshore drilling ban maintained in eastern Gulf*, THE HILL (May 2, 2017), <http://thehill.com/policy/energy-environment/331520-pentagon-wants-offshore-drilling-ban-maintained-in-eastern-gulf> (last visited January 5, 2018).

¹⁹ Department of the Interior Press Release, October 24, 2017, available at <https://www.doi.gov/pressreleases/secretary-zinke-announces-largest-oil-gas-lease-sale-us-history> (last visited January 9, 2018).

²⁰ *Id.*

²¹ Department of the Interior Press Release, January 4, 2018, available at <https://www.doi.gov/pressreleases/secretary-zinke-announces-plan-unleashing-americas-offshore-oil-and-gas-potential> (last visited January 9, 2018).

²² Timothy Cama, *Zinke removing Florida from offshore drilling plan*, THE HILL, January 9, 2018, available at <http://thehill.com/homenews/administration/368208-zinke-to-take-florida-out-of-offshore-drilling-plan> (last visited January 9, 2018).

Expanding the Current Moratorium

Senator Bill Nelson (D-FL) filed the “Marine Oil Spill Prevention Act” in January, 2017. The bill, among other things, expands the GOMESA to 2027. The bill has been referred to committees but has not received a hearing.²³

In May, 2017, Acting Under Secretary of Defense, A.M. Kurta, sent a letter to Representative Matt Gaetz (R-FL) stating that military training and related exercises in the Eastern Gulf necessitate a continuation of the GOMESA. Kurta also stated the following:

Emerging technologies such as hypersonics, autonomous systems, and advanced sub-surface systems will require enlarged testing and training footprints and increased Department of Defense reliance on the Gulf of Mexico Energy Security Act’s moratorium beyond 2022. The moratorium is essential for developing and sustaining our nation’s future combat capabilities.²⁴

Additionally, county commissions, chambers of commerce, local economic development councils, and military affairs committees from the counties bordering the Gulf of Mexico have provided resolutions in support of the GOMESA to the Florida Legislature.²⁵

III. Effect of Proposed Changes:

The resolution pronounces that:

- The State of Florida must maintain a unified front in supporting an extension of the current moratorium on drilling in the Gulf of Mexico east of the Military Mission Line;
- Drilling east of the Military Mission Line would mean loss of range areas and possible relocation of aircraft and bases to other unrestricted range areas; and
- The Florida Senate supports an indefinite extension of the restriction, specified in the GOMESA, on oil and gas leasing in all areas east of the Military Mission Line established at 86°41’ west longitude and an indefinite extension of the GOMESA’s ban on oil and gas leasing within 125 miles of the Florida coastline in the Eastern Planning Area and in a portion of the Central Planning Area.

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IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

²³ S. 74, 115th Cong. (January 9, 2017). See <https://www.congress.gov/bill/115th-congress/senate-bill/74?q=%7B%22search%22%3A%5B%22oil+drilling+moratorium%22%5D%7D&r=1> (last visited January 5, 2018).

²⁴ Congressional Record on *Gulf of Mexico Oil Drilling Moratorium*, Senator Bill Nelson remarks, May 1, 2017, available at <https://www.congress.gov/congressional-record/2017/05/01/senate-section/article/S2654-4> (last visited January 5, 2018).

²⁵ *Supra* note 3, at 5,6.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This Senate resolution does not amend the Florida Statutes. If enacted, it will become an undesignated chapter law codified in the Laws of Florida.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.