

U.S. SENATE COMMITTEE ON
**ENERGY &
NATURAL RESOURCES**

SENATOR MARIA CANTWELL, *Ranking Member*



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**Senator Maria Cantwell (D-Wash.)
Statement on S. 3110
November 17, 2016**

“Mr. President, I come to the floor to join my colleagues who have already spoken on this issue, to give a little historical context. I know my colleagues from a variety of states throughout the United States presented a different viewpoint because of their own economic interests of their state. But, the larger question here is what is in the economic interests of the United States. All of the lands submerged beneath the territorial sea beyond our shores—the oil and gas resources they contain—belong to the nation as a whole and to the people of the United States. More than 60 years ago, a few coastal states tried to claim these submerged lands. But the Supreme Court rejected the coastal states’ claims and held that submerged lands and their resources did belong to the nation, to the *whole* nation. Their response was ‘national interests, national responsibilities, national concerns are involved,’ the court said.

“In spite of the Supreme Court’s decision, Congress voted to give the submerged lands beneath our territorial seas to the adjacent coastal states in 1953. The Submerged Lands Act, dubbed the ‘Oil Give-Away’ Law by its opponents, gave the coastal states the submerged lands to a distance of 3 nautical miles from the coastline. For historical reasons, Florida and Texas were given 9 nautical miles into the Gulf of Mexico. The Oil Give-Away Law also gave the coastal states the right to develop the oil and natural gas resources beneath these submerged lands and to retain all of the royalties from those resources for themselves.

“Thus this big discussion here is about whether we’re going to give federal resources away to these states and put a hole in our federal deficit to the tune of \$7 billion. In giving the coastal states the first 3 nautical miles of the continental shelf, Congress made it clear at that time that it was retaining for the nation as a whole the outer continental shelf. So, the Outer Continental Shelf Lands Act, enacted just three months after the Oil Give-Away Law, gave the federal government exclusive ownership and control over the mineral wealth of Louisiana and Texas. They persuaded Congress to give them even more revenue in 2006, 37.5 percent of the federal government royalties. Again, some of my colleagues may have supported this, but it also added to our federal deficit a big hole into what were federal revenues at that time.

“Senator Cassidy’s bill would compound this huge loss to the Federal Treasury. It begins by raising the \$500 million annual cap on the payment of federal royalties to the Gulf Coast states from \$500 million to \$835 million per year from 2027 through 2036, and then in addition, \$705 million from 2037 to 2055.



“But the bill does not stop there. It extends the payment of federal royalties to five more coastal states: Alaska, Georgia, North Carolina, South Carolina and Virginia. It gives 37.5 percent of the federal revenues from oil and gas leases on the outer continental shelf off the coast of Alaska to Alaska, and it gives 37.5 percent of the federal revenues from the outer continental shelf to the Atlantic coasts—Virginia, North Carolina, South Carolina and Georgia. So I get that my colleagues would like this money-grab out of the Federal Treasury. I’m sure that many of our colleagues would write federal legislation that would also give their states revenue.

“But all of these amounts, in addition to the state royalties by the coastal states for oil and gas leases on the outer continental shelf are in contrast, I believe, to our national interests. This may be a great deal for the nine states and the senators who represent them, but it is a terrible, terrible deal for the nation as a whole and the other 41 states who will not have the revenue. And what will they do about the raid to the federal budget of over \$7 billion that will be absent from the Federal Treasury? Are my colleagues going to raise taxes on the other side to supplant the revenue? That \$7 billion lost?

“Again, those revenues belong to the nation as a whole, to all of our citizens, not just nine coastal states and their residents. As President Truman said when he vetoed an earlier version of the oil giveaway bill: ‘the vast quantities of oil and gas in the submerged ocean lands belong to the people of all the states. They represent part of a priceless national heritage. This national wealth like our lands owned by the United States is held in trust for every citizen of the United States,’ and ‘it should be used for the welfare and security of the nation as a whole.’ So I ask my colleagues, please do not blow a \$7 billion hole in the Federal Treasury and give it to a few states when these lands and resources belong to all of us. If we want to help our coastal states in some other economic way or some way, let’s discuss that, but blowing a hole of \$7 billion in the federal budget and then trying to make it up later on the backs of the rest of our constituents is an unfair deal for the American taxpayer.

“I urge my colleagues to vote ‘no’ on this proposition. I yield the floor.”

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