

**Proposed
Policy Statement of
The Energy Council on
Offshore Federal/State Revenue Sharing**
Proposed by: Louisiana Senator Robert Adley

Background

As a result of piecemeal legislation, the federal/state revenue sharing model applied to offshore energy production is inconsistent at best. Different rates (some capped, others not) apply on different timetables to different states, in different areas off their coasts, for different types of energy production.

Existing revenue sharing options do not apply to some coastal states and federal revenues from some types of renewable energy production may not be shared at all with any states. This approach is not conducive to development of domestic hydrocarbon or renewable energy resources, nor the nation's energy security.

Notwithstanding recent federal actions which have sequestered states' shares of revenue from onshore energy production, the federal/state model for sharing onshore hydrocarbon revenues equitably (50/50) has worked well for almost a century.

A similar uniform standard for all offshore energy production, as well as onshore renewable energy production, would encourage consistent economic development benefits from energy production while helping to equitably mitigate impacts.

Recommendation

The Energy Council calls on Congress to approve measures standardizing federal/state energy revenue sharing percentages for all forms of energy produced in federal offshore waters. Specifically, current federal statutory revenue caps, applicable to some states, should be lifted and timetables providing for an eventual 37.5 percent share for specific coastal states accelerated and extended to immediately provide a 37.5 percent revenue share to all coastal states for all forms of energy, hydrocarbon or renewable, produced beyond a state's offshore boundary. Moreover, renewable energy revenues from federal lands should be shared with states in a manner that is consistent with hydrocarbon revenue sharing.

Disposition

This policy statement, passed unanimously by the Energy Council on December 7, 2013, shall be distributed to the President of the United States of America; the Secretary of the Department of Interior; the Department of Interior's Assistant Secretary for Policy, Management and Budget; the Majority Leader of the United States Senate, the Speaker of the United States House of Representatives; the Energy Council's Congressional delegations; and the energy ministers of The Council's member Canadian provinces.

Lori Cameron
Secretary