OUTER CONTINENTAL SHELF REVENUES

Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) now provides that all revenues paid under leases on the Shelf shall be deposited into miscellaneous receipts of the Treasury. S. 1826 would amend this section of the Act by providing that (1) 37½ percent of the deposited receipts must be paid semi-annually to the States adjacent to the Shelf lands where such revenues were produed for State public roads and public schools and other educational institutions, and (2) the balance of such revenues shall be paid semi-annually to all of the 50 States on a population basis. The bill also provides for a similar distribution of certain shelf receipts now held in escrow pending the termination of litigation. Read literally, the mineral distribution from OCS revenues called for by S. 1826 would be retroactive to August 7, 1953, by reason of the failure to modify the phrase "after the effective date hereof" which appears on page 4, lines 18 and 19 of the bill. We doubt, however, that such retroactivity was intended.

MINERAL LEASING ACT REVENUES

The bill provides that 60 percent of the monies received from leasing the mineral rights in the public lands shall be paid semi-annually to the State within whose boundaries the leased lands are situated. The monies are to be used for public roads and schools. In addition, 30 percent of the revenues, except those in Alaska, shall go to the Reclamation Fund. In the case of revenues from Alaska, 30 percent shall go to the State. Monies from the naval petroleum reserves go to the Treasury as miscellaneous receipts, as is now the case.

COMMENT

Outer Continental Shelf Lands.—In 1953 Congress clearly and unmistakably first faced and decided the issue of interest in, and jurisdiction over, the Outer Continental Shelf in the enactment of section 9 of the Submerged Lands Act (43 U.S.C. 1302) which provides:

"Nothing in this chapter shall be deemed to affect in any wise the rights of the United States to the natural resources of that portion of the subsoil and seabed of the Continental Shelf lying seaward and outside of the area of lands beneath navigable waters, as defined in section 1301 of this title, all of which natural resources appertain to the United States, and the jurisdiction and control of which by the United States is confirmed."

This policy was reaffirmed later in that same year by sections 2 and 3 of the Outer Continental Shelf Act (43 U.S.C. 1331 and 1332) with express provisions that the submerged lands lying seaward of the areas granted to the States under the Submerged Lands Act are subject to the jurisdiction, control, and power of disposition of the United States. In section 4(a) of that Act (43 U.S.C. 1333), Congress explicitly excluded the operation of State taxation laws to the Outer Continental Shelf, and further provided that the adoption of State law as the law of the United States on the Outer Continental Shelf for certain purposes "shall never be interpreted as a basis for claiming any interest in or jurisdiction on behalf of any State for any purpose over the seabed and subsoil of the Outer Continental Shelf, or the property and natural resources thereof or the revenue therefrom."

These expressions of the policies and intent of the Congress in enacting the 1953 legislation are repeatedly affirmed in the Committee reports. The Senate Committee report on the OCS Act (S. Rept. No. 411, 83d Cong.) points out that the purpose of the legislation is to assert the *exclusive* jurisdiction and control of the Federal Government in the OCS, and that it is the intent of the Congress that "no part of these revenues [from OCS leases] are to go to any coastal State for any purpose whatever". Also, the Senate debates of June 25, 1953 (Cong. Rec. pp. 7444–7489), on the various proposals to include in the OCS Act provisions to extend State boundaries to cover the OCS, to extend State conservation laws to the OCS, to permit State taxation on the OCS, and to provide for sharing of OCS revenues with the coastal States, clearly demonstrate the reasons for their rejection by the Congress. The floor leader on the then pending bill, Senator Cordon, said:

"The propounding of this amendment [reimbursement of coastal states from OCS revenues] is simply Chapter III in the attempt of the States along the gulf to get some portion of the receipts from the areas outside their boundaries. Call them reimbursements; call them local taxes or call them severance taxes, or what