

109TH CONGRESS
2^D SESSION

H. R. 5890

To establish the American-Made Energy Trust Fund, to increase the tax credits for cellulosic biomass ethanol, to extend tax incentives for solar and fuel cell property, to promote coal-to-liquid fuel activities, to direct the Secretary of the Interior to establish and implement a competitive oil and gas leasing program for the Coastal Plain of Alaska, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2006

Mr. NUNES (for himself, Mr. CARDOZA, Mr. SHIMKUS, Mr. COSTA, Mr. POMBO, Mr. REHBERG, Mr. LEWIS of Kentucky, Mr. KINGSTON, Mr. ENGLISH of Pennsylvania, Mr. PICKERING, Mr. HALL, Mr. BARTON of Texas, Mr. WHITFIELD, Mr. CUELLAR, Mr. DAVIS of Tennessee, Mr. ROSS, Mr. CRAMER, Mr. BOREN, Mrs. CAPITO, Mr. MELANCON, Mr. BOOZMAN, Mr. PETERSON of Minnesota, and Mr. MURPHY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Resources, Energy and Commerce, and Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish the American-Made Energy Trust Fund, to increase the tax credits for cellulosic biomass ethanol, to extend tax incentives for solar and fuel cell property, to promote coal-to-liquid fuel activities, to direct the Secretary of the Interior to establish and implement a competitive oil and gas leasing program for the Coastal Plain of Alaska, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
 5 “American-Made Energy Freedom Act of 2006”.

6 (b) TABLE OF CONTENTS.—The table of contents for
 7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—TAX INCENTIVES FOR CELLULOSIC BIOMASS ETHANOL,
 SOLAR AND FUEL CELL PROPERTY, AND CERTAIN LIQUID
 FUEL DERIVED FROM COAL

Sec. 101. Increased tax credits for cellulosic biomass ethanol.

Sec. 102. Extension of energy credit for solar and fuel cell property.

Sec. 103. Extension and modification of credit for residential energy efficient
 property.

Sec. 104. Extension and modification of excise tax credits for certain liquid fuel
 derived from coal.

TITLE II—AMERICAN-MADE ENERGY TRUST FUND

Sec. 201. Establishment of American-Made Energy Trust Fund.

TITLE III—DEVELOPMENT OF OIL AND GAS RESOURCES OF THE
 COASTAL PLAIN OF ALASKA

Sec. 301. Definitions.

Sec. 302. Leasing program for lands within the Coastal Plain.

Sec. 303. Lease sales.

Sec. 304. Grant of leases by the Secretary.

Sec. 305. Lease terms and conditions.

Sec. 306. Coastal plain environmental protection.

Sec. 307. Expedited judicial review.

Sec. 308. Federal and State distribution of revenues.

Sec. 309. Rights-of-way across the Coastal Plain.

Sec. 310. Conveyance.

Sec. 311. Local government impact aid and community service assistance.

1 **TITLE I—TAX INCENTIVES FOR**
2 **CELLULOSIC BIOMASS ETH-**
3 **ANOL, SOLAR AND FUEL CELL**
4 **PROPERTY, AND CERTAIN**
5 **LIQUID FUEL DERIVED FROM**
6 **COAL**

7 **SEC. 101. INCREASED TAX CREDITS FOR CELLULOSIC BIO-**
8 **MASS ETHANOL.**

9 (a) INCOME TAX CREDIT.—

10 (1) IN GENERAL.—Section 40 of the Internal
11 Revenue Code of 1986 (relating to alcohol used as
12 fuel) is amended by adding at the end the following
13 new subsection:

14 “(i) INCREASED CREDIT FOR CELLULOSIC BIOMASS
15 ETHANOL.—

16 “(1) IN GENERAL.—In the case of cellulosic
17 biomass ethanol—

18 “(A) subsection (h) shall not apply,

19 “(B) if such ethanol has a proof of at least
20 150 but less than 190—

21 “(i) subsection (b)(3) shall not apply,

22 and

23 “(ii) subsections (b)(1)(A), (b)(2)(A),
24 (d)(3)(A), and (d)(3)(B) shall each be ap-

1 plied by substituting ‘the low-proof cel-
2 lulosic ethanol amount’ for ‘60 cents’, and
3 “(C) if such alcohol has a proof of at least
4 190, subsections (b)(1)(A), (b)(2)(A),
5 (d)(3)(A), and (d)(3)(B) shall each be applied
6 by substituting ‘the cellulosic ethanol amount’
7 for ‘60 cents’.

8 “(2) LIMITATIONS.—

9 “(A) OVERALL DOLLAR LIMITATION.—

10 Paragraph (1) shall not apply to any cellulosic
11 biomass ethanol which is sold or used after the
12 date on which the Secretary certifies that, in
13 the estimation of the Secretary, more than
14 \$1,250,000,000 has been allowed, in the aggre-
15 gate, as a credit under this section with respect
16 to cellulosic biomass ethanol taken into account
17 under this subsection and subsection (e).

18 “(B) PER TAXPAYER MAXIMUM.—

19 “(i) IN GENERAL.—With respect to
20 any taxpayer, paragraph (1) shall only
21 apply to the first 25,000,000 gallons of
22 cellulosic biomass ethanol sold or used by
23 the taxpayer during any calendar year.

24 “(ii) TERMINATION OF TAXPAYER
25 MAXIMUM.—Clause (i) shall not apply with

1 respect to any calendar year after the first
2 calendar year with respect to which the
3 Secretary certifies that, in the estimation
4 of the Secretary, at least 10 taxpayers sell
5 or use cellulosic biomass ethanol to which
6 paragraph (1) applies.

7 “(C) PER TAXPAYER MINIMUM.—With re-
8 spect to any taxpayer, paragraph (1) shall not
9 apply to any cellulosic biomass ethanol sold or
10 used by the taxpayer during any calendar year
11 unless the aggregate amount of cellulosic bio-
12 mass ethanol sold or used by such taxpayer
13 during such calendar year exceeds 5,000,000
14 gallons.

15 “(3) CELLULOSIC ETHANOL AMOUNT; LOW-
16 PROOF CELLULOSIC ETHANOL AMOUNT.—

17 “(A) IN GENERAL.—The terms ‘cellulosic
18 ethanol amount’ and ‘low-proof cellulosic eth-
19 anol amount’ mean \$1.25 and \$1.10, respec-
20 tively.

21 “(B) PHASE-OUT BASED ON PRICE OF
22 OIL.—

23 “(i) IN GENERAL.—The \$1.25 and
24 \$1.10 amounts contained in subparagraph
25 (A) shall each be reduced (but not below

1 \$0.51 and \$0.3778, respectively) by an
2 amount which bears the same ratio to the
3 amount so contained in subparagraph (A)
4 (as so increased) as—

5 “(I) the amount (if any) by
6 which the price of a barrel of crude oil
7 exceeds \$40, bears to

8 “(II) \$71.

9 “(ii) DETERMINATION BY SEC-
10 RETARY.—The price of a barrel of crude
11 oil shall be determined periodically by the
12 Secretary under such methodology as the
13 Secretary determines appropriate. The
14 price determined under this clause and the
15 reduction required by clause (i) shall apply
16 with respect to cellulosic biomass ethanol
17 sold or used during the period with respect
18 to which such determination relates.

19 “(C) INFLATION ADJUSTMENT OF PHASE-
20 OUT BASED ON PRICE OF OIL.—In the case of
21 any period beginning in a calendar year after
22 2007, the dollar amounts contained in sub-
23 clauses (I) and (II) of subparagraph (B)(i)
24 shall be increased by an amount equal to—

25 “(i) such dollar amount, multiplied by

1 “(ii) the cost-of-living adjustment de-
2 termined under section 1(f)(3) for the cal-
3 endar year in which the taxable year be-
4 gins, determined by substituting ‘calendar
5 year 2006’ for ‘calendar year 1992’ in sub-
6 paragraph (B) thereof.

7 Any increase determined under the preceding
8 sentence shall be rounded to the nearest mul-
9 tiple of \$1.

10 “(4) CELLULOSIC BIOMASS ETHANOL.—The
11 term ‘cellulosic biomass ethanol’ means ethanol pro-
12 duced by enzymatic hydrolysis of any lignocellulosic
13 or hemicellulosic feedstock that is available on a re-
14 newable or recurring basis, including agricultural
15 residues, agricultural fibers, dedicated energy crops,
16 grasses, plants, and wood and wood residues.

17 “(5) APPLICATION OF AGGREGATION, ETC.,
18 RULES.—Rules similar to the rules of paragraphs
19 (2), (3), and (4) of subsection (g) shall apply for
20 purposes of the limitations under subparagraphs (B)
21 and (C) of paragraph (2).”.

22 (2) TERMINATION.—Subsection (e) of section
23 40 of such Code (relating to termination) is amend-
24 ed—

1 (A) by redesignating paragraph (2) as
2 paragraph (3),

3 (B) by inserting after paragraph (1) the
4 following new paragraph:

5 “(2) CELLULOSIC BIOMASS ETHANOL.—In the
6 case of cellulosic biomass ethanol with respect to
7 which subsection (i)(1) applies—

8 “(A) paragraph (1) shall not apply, and

9 “(B) this section shall not apply to any
10 sale or use of such ethanol for any period after
11 the earlier of the date on which the Secretary
12 makes the certification described in subsection
13 (i)(2)(A) or December 31, 2023.”, and

14 (C) by inserting “or (2)” after “paragraph
15 (1)” in paragraph (3) (as redesignated by this
16 paragraph).

17 (b) EXCISE TAX CREDIT.—

18 (1) IN GENERAL.—Paragraph (2) of section
19 6426(b) of the Internal Revenue Code of 1986 (re-
20 lating to applicable amount) is amended—

21 (A) by adding at the end the following new
22 subparagraph:

23 “(C) CELLULOSIC BIOMASS ETHANOL.—In
24 the case of cellulosic biomass ethanol to which
25 section 40(i)(1) applies or to which such section

1 would apply but for subsections (c) and (e) of
2 section 40, the applicable amount is the cel-
3 lulosic ethanol amount (as defined in section
4 40(i)(3)).”, and

5 (B) by striking “subparagraph (B)” in
6 subparagraph (A) and inserting “subpara-
7 graphs (B) or (C)”.

8 (2) TERMINATION.—Paragraph (5) of section
9 6426(b) of such Code (relating to termination) is
10 amended to read as follows:

11 “(5) TERMINATION.—

12 “(A) IN GENERAL.—Except as provided in
13 subparagraph (B), this subsection shall not
14 apply to any sale, use, or removal for any pe-
15 riod after December 31, 2010.

16 “(B) CELLULOSIC BIOMASS ETHANOL.—In
17 the case of any cellulosic biomass ethanol with
18 respect to which paragraph (2)(C) applies—

19 “(i) subparagraph (A) shall not apply,
20 and

21 “(ii) this subsection shall not apply to
22 any sale or use of such ethanol for any pe-
23 riod after the earlier of the date on which
24 the Secretary makes the certification de-

1 scribed in section 40(i)(2)(A) or December
2 31, 2023.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to fuel sold or used after the date
5 of the enactment of this Act.

6 **SEC. 102. EXTENSION OF ENERGY CREDIT FOR SOLAR AND**
7 **FUEL CELL PROPERTY.**

8 (a) 30 PERCENT CREDIT FOR SOLAR.—Subclause
9 (II) of section 48(a)(2)(A)(i) of the Internal Revenue Code
10 of 1986 is amended by striking “2008” and inserting
11 “2013”.

12 (b) QUALIFIED FUEL CELL PROPERTY.—

13 (1) IN GENERAL.—Subparagraph (E) of section
14 48(c)(1) of such Code is amended by striking
15 “2007” and inserting “2012”.

16 (2) TERMINATION OF SPECIAL RULE.—Sub-
17 paragraph (D) of section 48(c)(1) of such Code is
18 amended by inserting “placed in service before Jan-
19 uary 1, 2008, and” after “qualified fuel cell property
20 which is”.

21 (c) FIBER-OPTIC DISTRIBUTED SUNLIGHT.—Clause
22 (ii) of section 48(a)(3)(A) of such Code is amended by
23 striking “2008” and inserting “2013”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the date of the enactment
3 of this Act.

4 **SEC. 103. EXTENSION AND MODIFICATION OF CREDIT FOR**
5 **RESIDENTIAL ENERGY EFFICIENT PROP-**
6 **ERTY.**

7 (a) IN GENERAL.—Subsection (g) of section 25D of
8 the Internal Revenue Code of 1986 is amended by striking
9 “2007” and inserting “2012”.

10 (b) MODIFICATION OF MAXIMUM CREDIT FOR
11 QUALIFIED SOLAR ELECTRICITY PROPERTY.—Subpara-
12 graph (A) of section 25D(b)(1) of such Code is amended
13 to read as follows:

14 “(A) \$2,000 with respect to each half kilo-
15 watt of capacity of property for which qualified
16 solar electricity property expenditures are
17 made.”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) Paragraph (1) of section 25D(a) of such
20 Code is amended by striking “photovoltaic” and in-
21 sserting “solar electricity”.

22 (2) Paragraph (2) of section 25D(d) of such
23 Code is amended in the text and in the heading by
24 striking “photovoltaic” and inserting “solar elec-
25 tricity”.

1 (3) Paragraph (4)(A)(i) of section 25D(e) of
2 such Code is amended by striking “photovoltaic”
3 and inserting “solar electricity”.

4 (d) EFFECTIVE DATES.—

5 (1) IN GENERAL.—The amendment made by
6 subsection (a) shall take effect on the date of the en-
7 actment of this Act.

8 (2) INCREASE IN CREDIT FOR SOLAR ELEC-
9 TRICITY PROPERTY.—The amendments made by
10 subsections (b) and (c) shall apply to taxable years
11 beginning after December 31, 2005.

12 (3) HOLD HARMLESS TRANSITION RULE.—In
13 the case of any taxable year beginning after Decem-
14 ber 31, 2005, and before the date of the enactment
15 of this Act, the taxpayer may elect (at such time and
16 in such form and manner as the Secretary of the
17 Treasury may determine) to apply the limitation
18 under section 25D(b)(1)(A) of the Internal Revenue
19 Code of 1986 which was in effect immediately before
20 the date of the enactment of this Act for purposes
21 of determining the credit under section 25D of such
22 Code for such taxable year in lieu of such limitation
23 as otherwise in effect for such year.

1 **SEC. 104. EXTENSION AND MODIFICATION OF EXCISE TAX**
2 **CREDITS FOR CERTAIN LIQUID FUEL DE-**
3 **RIVED FROM COAL.**

4 (a) **MODIFICATION OF EXCISE TAX CREDITS.**—Sec-
5 tion 6426 of the Internal Revenue Code of 1986 is amend-
6 ed by redesignating subsection (g) as subsection (h) and
7 by inserting after subsection (f) the following new sub-
8 section:

9 “(g) **SPECIAL RULES FOR LIQUID FUEL DERIVED**
10 **FROM COAL.**—

11 “(1) **LIMITATIONS.**—

12 “(A) **OVERALL DOLLAR LIMITATION.**—No
13 liquid coal fuel shall be taken into account in
14 determining the alternative fuel credit under
15 subsection (d) or the alternative fuel mixture
16 credit under subsection (e) if such fuel is sold
17 or used after the date on which the Secretary
18 certifies that, in the estimation of the Sec-
19 retary, more than \$1,500,000,000 has been al-
20 lowed, in the aggregate, as a credit under this
21 section with respect to liquid coal fuel taken
22 into account under subsections (d) and (e).

23 “(B) **PER TAXPAYER MAXIMUM.**—

24 “(i) **IN GENERAL.**—With respect to
25 any taxpayer, only the first 150,000,000
26 gallons of liquid coal fuel which is sold or

1 used by the taxpayer during any calendar
2 year may be taken into account under sub-
3 section (d) or (e).

4 “(ii) TERMINATION OF TAXPAYER
5 MAXIMUM.—Clause (i) shall not apply with
6 respect to any calendar year after the first
7 calendar year with respect to which the
8 Secretary certifies that, in the estimation
9 of the Secretary, at least 5 taxpayers sell
10 or use liquid coal fuel which is taken into
11 account under subsection (d) or (e).

12 “(C) PER TAXPAYER MINIMUM.—With re-
13 spect to any taxpayer, liquid coal fuel sold or
14 used by the taxpayer during any calendar year
15 shall not be taken into account in determining
16 the alternative fuel credit under subsection (d)
17 or the alternative fuel mixture credit under sub-
18 section (e) unless the aggregate amount of liq-
19 uid coal fuel sold or used by such taxpayer dur-
20 ing such calendar year exceeds 15,000,000 gal-
21 lons.

22 “(2) ADJUSTMENT OF CREDIT AMOUNT.—Sole-
23 ly for purposes of determining that portion of the al-
24 ternative fuel credit under subsection (d) and the al-

1 ternative fuel mixture credit under subsection (e)
2 which is allowed with respect to liquid coal fuel—

3 “(A) PHASE-OUT BASED ON PRICE OF
4 OIL.—

5 “(i) IN GENERAL.—The 50 cent
6 amounts contained in subsections (d)(1)
7 and (e)(1) shall each be reduced (but not
8 below zero) by an amount which bears the
9 same ratio to the amount so contained in
10 subsection (d)(1) or (e)(1) (as so in-
11 creased) as—

12 “(I) the amount (if any) by
13 which the price of a barrel of crude oil
14 exceeds \$45, bears to

15 “(II) \$70.

16 “(ii) DETERMINATION BY SEC-
17 RETARY.—The price of a barrel of crude
18 oil shall be determined periodically by the
19 Secretary under such methodology as the
20 Secretary determines appropriate. The
21 price determined under this clause and the
22 reduction required by clause (i) shall apply
23 with respect to liquid coal fuel sold or used
24 during the period to which such determina-
25 tion relates.

1 “(B) INFLATION ADJUSTMENT OF PHASE-
2 OUT BASED ON PRICE OF OIL.—In the case of
3 any period beginning in a calendar year after
4 2007, the dollar amounts contained in sub-
5 clauses (I) and (II) of subparagraph (A)(i) shall
6 be increased by an amount equal to—

7 “(i) such dollar amount, multiplied by

8 “(ii) the cost-of-living adjustment de-
9 termined under section 1(f)(3) for the cal-
10 endar year in which the taxable year be-
11 gins, determined by substituting ‘calendar
12 year 2006’ for ‘calendar year 1992’ in sub-
13 paragraph (B) thereof.

14 Any increase determined under the preceding
15 sentence shall be rounded to the nearest mul-
16 tiple of \$1.

17 “(3) LIQUID COAL FUEL.—For purposes of this
18 section and section 6427, the term ‘liquid coal fuel’
19 means liquid fuel derived from coal which is de-
20 scribed in subsection (d)(2)(E).

21 “(4) APPLICATION OF AGGREGATION, ETC.,
22 RULES.—Rules similar to the rules of paragraphs
23 (2), (3), and (4) of section 40(g) shall apply for pur-
24 poses of the limitations under paragraph (2).

1 “(5) CREDIT MAY BE TRANSFERRED.—Nothing
2 in any law or rule of law shall be construed to limit
3 the transferability of the alternative fuel credit
4 under subsection (e) or the alternative fuel mixture
5 credit under subsection (e) if—

6 “(A) liquid coal fuel is taken into account
7 in determining such credit, and

8 “(B) such fuel or an alternative fuel mix-
9 ture produced with such coal is purchased from
10 the transferor of such credit by the transferee
11 of such credit.”.

12 (b) EXTENSION OF CREDIT.—

13 (1) ALTERNATIVE FUEL CREDIT.—Paragraph
14 (4) of section 6426(d) of such Code (relating to ter-
15 mination) is amended by inserting “(the earlier of
16 December 31, 2023, or the date of the certification
17 under subsection (g)(1)(A), in the case of any sale
18 or use involving liquid coal fuel)” before the period
19 at the end.

20 (2) ALTERNATIVE FUEL MIXTURE CREDIT.—
21 Paragraph (3) of section 6426(e) of such Code (re-
22 lating to termination) is amended by inserting “(the
23 earlier of December 31, 2023, or the date of the cer-
24 tification under subsection (g)(1)(A), in the case of

1 any sale or use involving liquid coal fuel)” before the
2 period at the end.

3 (3) REFUNDABILITY OF CREDIT.—Paragraph
4 (5) of section 6427(e) of such Code (relating to ter-
5 mination) is amended—

6 (A) by striking “and” at the end of sub-
7 paragraph (C), by striking the period at the end
8 of subparagraph (D) and inserting “, and”, and
9 by adding at the end the following new sub-
10 paragraph:

11 “(E) any alternative fuel or alternative fuel
12 mixture (as so defined) involving liquid coal fuel
13 sold or used after the earlier of December 31,
14 2023, or the date of the certification under sec-
15 tion 6426(g)(1)(A).”, and

16 (B) by inserting “or (E)” after “subpara-
17 graph (D)” in subparagraph (C).

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to any sale or use for any period
20 after September 30, 2006.

1 **TITLE II—AMERICAN-MADE**
2 **ENERGY TRUST FUND**

3 **SEC. 201. ESTABLISHMENT OF AMERICAN-MADE ENERGY**
4 **TRUST FUND.**

5 (a) CREATION OF TRUST FUND.—Subchapter A of
6 chapter 98 of the Internal Revenue Code of 1986 is
7 amended by inserting at the end the following new section:

8 **“SEC. 9511. AMERICAN-MADE ENERGY TRUST FUND.**

9 “(a) ESTABLISHMENT OF TRUST FUND.—There is
10 established in the Treasury of the United States a trust
11 fund to be known as the ‘American-Made Energy Trust
12 Fund’, consisting of such amounts as may be appropriated
13 or credited to the American-Made Energy Trust Fund as
14 provided in this section or section 9602(b).

15 “(b) TRANSFERS TO TRUST FUND.—There are here-
16 by appropriated to the American-Made Energy Trust
17 Fund amounts required to be transferred under section
18 308(a)(2) of the American-Made Energy Freedom Act of
19 2006.

20 “(c) EXPENDITURES FROM AMERICAN-MADE EN-
21 ERGY TRUST FUND.—

22 “(1) IN GENERAL.—As provided by appropria-
23 tion Acts, amounts in the American-Made Energy
24 Trust Fund shall be available—

1 “(A) for transfer to the general fund of the
2 Treasury to offset any reduction in revenue to
3 the United States that the Secretary estimates
4 results from the amendments made by title I of
5 the American-Made Energy Freedom Act of
6 2006, and

7 “(B) to carry out sections 210, 932, 1510,
8 1511, 1512, 1514, and title XVII of the Energy
9 Policy Act of 2005.

10 “(2) LIMITATION ON AVAILABILITY TO CARRY
11 OUT THE ENERGY POLICY ACT OF 2005.—

12 “(A) IN GENERAL.—Notwithstanding para-
13 graph (1), amounts in the American-Made En-
14 ergy Trust Fund shall be available to carry out
15 the provisions referred to in paragraph (1)(B)
16 only with respect to so much of such amount as
17 the Secretary certifies, in the estimation of the
18 Secretary, is in excess (taking into account the
19 Secretary’s estimate of future appropriations
20 and credits to the American-Made Energy
21 Trust Fund) of the amounts necessary to make
22 all future transfers described in subparagraph
23 (A) of paragraph (1).

24 “(B) APPORTIONMENT OF EXCESS
25 AMOUNT.—Notwithstanding paragraph (1), the

1 excess amount certified by the Secretary under
 2 subparagraph (A) shall be apportioned to the
 3 provisions referred to in paragraph (1)(B) in
 4 accordance with the following table:

To carry out the following provision of the Energy Policy Act of 2005:	The following percentage of the excess amount shall be available:
Section 210	15 percent
Section 932	5 percent
Section 1510	2 percent
Section 1511	24 percent
Section 1512	24 percent
Section 1514	10 percent
Title XVII	20 percent.

5 “(C) MAXIMUM DOLLAR LIMITATION.—
 6 Notwithstanding paragraph (1), the maximum
 7 aggregate amount which may be paid from the
 8 American-Made Energy Trust Fund to carry
 9 out the provisions referred to in paragraph
 10 (1)(B) shall not exceed \$3,000,000,000.

11 “(D) REPORT TO CONGRESS.—Any certifi-
 12 cation made under subparagraph (A) shall be
 13 made in a written report to the Congress and
 14 shall include the relevant estimates of the Sec-
 15 retary of future transfers, appropriations, and
 16 credits.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
 18 for subchapter A of chapter 98 of such Code is amended
 19 by inserting at the end the following new item:

“Sec. 9511. American-Made Energy Trust Fund.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply after the date of the enactment
3 of this Act.

4 **TITLE III—DEVELOPMENT OF**
5 **OIL AND GAS RESOURCES OF**
6 **THE COASTAL PLAIN OF**
7 **ALASKA**

8 **SEC. 301. DEFINITIONS.**

9 In this title:

10 (1) COASTAL PLAIN.—The term “Coastal
11 Plain” means that area described in appendix I to
12 part 37 of title 50, Code of Federal Regulations.

13 (2) SECRETARY.—The term “Secretary”, except
14 as otherwise provided, means the Secretary of the
15 Interior or the Secretary’s designee.

16 **SEC. 302. LEASING PROGRAM FOR LANDS WITHIN THE**
17 **COASTAL PLAIN.**

18 (a) IN GENERAL.—The Secretary shall take such ac-
19 tions as are necessary—

20 (1) to establish and implement, in accordance
21 with this title and acting through the Director of the
22 Bureau of Land Management in consultation with
23 the Director of the United States Fish and Wildlife
24 Service, a competitive oil and gas leasing program
25 that will result in an environmentally sound program

1 for the exploration, development, and production of
2 the oil and gas resources of the Coastal Plain; and

3 (2) to administer the provisions of this title
4 through regulations, lease terms, conditions, restric-
5 tions, prohibitions, stipulations, and other provisions
6 that ensure the oil and gas exploration, development,
7 and production activities on the Coastal Plain will
8 result in no significant adverse effect on fish and
9 wildlife, their habitat, subsistence resources, and the
10 environment, including, in furtherance of this goal,
11 by requiring the application of the best commercially
12 available technology for oil and gas exploration, de-
13 velopment, and production to all exploration, devel-
14 opment, and production operations under this title
15 in a manner that ensures the receipt of fair market
16 value by the public for the mineral resources to be
17 leased.

18 (b) REPEAL.—

19 (1) REPEAL.—Section 1003 of the Alaska Na-
20 tional Interest Lands Conservation Act of 1980 (16
21 23U.S.C. 3143) is repealed.

22 (2) CONFORMING AMENDMENT.—The table of
23 contents in section 1 of such Act is amended by
24 striking the item relating to section 1003.

1 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
2 TAIN OTHER LAWS.—

3 (1) COMPATIBILITY.—For purposes of the Na-
4 tional Wildlife Refuge System Administration Act of
5 1966 (16 U.S.C. 668dd et seq.), the oil and gas
6 leasing program and activities authorized by this
7 section in the Coastal Plain are deemed to be com-
8 patible with the purposes for which the Arctic Na-
9 tional Wildlife Refuge was established, and no fur-
10 ther findings or decisions are required to implement
11 this determination.

12 (2) ADEQUACY OF THE DEPARTMENT OF THE
13 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT
14 STATEMENT.—The “Final Legislative Environ-
15 mental Impact Statement” (April 1987) on the
16 Coastal Plain prepared pursuant to section 1002 of
17 the Alaska National Interest Lands Conservation
18 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)
19 of the National Environmental Policy Act of 1969
20 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-
21 quirements under the National Environmental Policy
22 Act of 1969 that apply with respect to prelease ac-
23 tivities, including actions authorized to be taken by
24 the Secretary to develop and promulgate the regula-
25 tions for the establishment of a leasing program au-

1 thorized by this title before the conduct of the first
2 lease sale.

3 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
4 TIONS.—Before conducting the first lease sale under
5 this title, the Secretary shall prepare an environ-
6 mental impact statement under the National Envi-
7 ronmental Policy Act of 1969 with respect to the ac-
8 tions authorized by this title that are not referred to
9 in paragraph (2). Notwithstanding any other law,
10 the Secretary is not required to identify nonleasing
11 alternative courses of action or to analyze the envi-
12 ronmental effects of such courses of action. The Sec-
13 retary shall only identify a preferred action for such
14 leasing and a single leasing alternative, and analyze
15 the environmental effects and potential mitigation
16 measures for those two alternatives. The identifica-
17 tion of the preferred action and related analysis for
18 the first lease sale under this title shall be completed
19 within 18 months after the date of enactment of this
20 title. The Secretary shall only consider public com-
21 ments that specifically address the Secretary’s pre-
22 ferred action and that are filed within 20 days after
23 publication of an environmental analysis. Notwith-
24 standing any other law, compliance with this para-
25 graph is deemed to satisfy all requirements for the

1 analysis and consideration of the environmental ef-
2 fects of proposed leasing under this title.

3 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
4 ITY.—Nothing in this title shall be considered to expand
5 or limit State and local regulatory authority.

6 (e) SPECIAL AREAS.—

7 (1) IN GENERAL.—The Secretary, after con-
8 sultation with the State of Alaska, the city of
9 Kaktovik, and the North Slope Borough, may des-
10 ignate up to a total of 45,000 acres of the Coastal
11 Plain as a Special Area if the Secretary determines
12 that the Special Area is of such unique character
13 and interest so as to require special management
14 and regulatory protection. The Secretary shall des-
15 ignate as such a Special Area the Sadlerochit Spring
16 area, comprising approximately 4,000 acres.

17 (2) MANAGEMENT.—Each such Special Area
18 shall be managed so as to protect and preserve the
19 area's unique and diverse character including its
20 fish, wildlife, and subsistence resource values.

21 (3) EXCLUSION FROM LEASING OR SURFACE
22 OCCUPANCY.—The Secretary may exclude any Spe-
23 cial Area from leasing. If the Secretary leases a Spe-
24 cial Area, or any part thereof, for purposes of oil
25 and gas exploration, development, production, and

1 related activities, there shall be no surface occu-
2 pancy of the lands comprising the Special Area.

3 (4) DIRECTIONAL DRILLING.—Notwithstanding
4 the other provisions of this subsection, the Secretary
5 may lease all or a portion of a Special Area under
6 terms that permit the use of horizontal drilling tech-
7 nology from sites on leases located outside the Spe-
8 cial Area.

9 (f) LIMITATION ON CLOSED AREAS.—The Sec-
10 retary's sole authority to close lands within the Coastal
11 Plain to oil and gas leasing and to exploration, develop-
12 ment, and production is that set forth in this title.

13 (g) REGULATIONS.—

14 (1) IN GENERAL.—The Secretary shall pre-
15 scribe such regulations as may be necessary to carry
16 out this title, including rules and regulations relating
17 to protection of the fish and wildlife, their habitat,
18 subsistence resources, and environment of the Coast-
19 al Plain, by no later than 15 months after the date
20 of enactment of this title.

21 (2) REVISION OF REGULATIONS.—The Sec-
22 retary shall periodically review and, if appropriate,
23 revise the rules and regulations issued under sub-
24 section (a) to reflect any significant biological, envi-

1 ronmental, or engineering data that come to the Sec-
2 retary's attention.

3 **SEC. 303. LEASE SALES.**

4 (a) IN GENERAL.—Lands may be leased pursuant to
5 this title to any person qualified to obtain a lease for de-
6 posits of oil and gas under the Mineral Leasing Act (30
7 U.S.C. 181 et seq.).

8 (b) PROCEDURES.—The Secretary shall, by regula-
9 tion, establish procedures for—

10 (1) receipt and consideration of sealed nomina-
11 tions for any area in the Coastal Plain for inclusion
12 in, or exclusion (as provided in subsection (c)) from,
13 a lease sale;

14 (2) the holding of lease sales after such nomina-
15 tion process; and

16 (3) public notice of and comment on designa-
17 tion of areas to be included in, or excluded from, a
18 lease sale.

19 (c) LEASE SALE BIDS.—Bidding for leases under
20 this title shall be by sealed competitive cash bonus bids.

21 (d) ACREAGE MINIMUM IN FIRST SALE.—In the first
22 lease sale under this title, the Secretary shall offer for
23 lease those tracts the Secretary considers to have the
24 greatest potential for the discovery of hydrocarbons, tak-

1 ing into consideration nominations received pursuant to
2 subsection (b)(1), but in no case less than 200,000 acres.

3 (e) **TIMING OF LEASE SALES.**—The Secretary
4 shall—

5 (1) conduct the first lease sale under this title
6 within 22 months after the date of the enactment of
7 this title; and

8 (2) conduct additional sales so long as sufficient
9 interest in development exists to warrant, in the Sec-
10 retary's judgment, the conduct of such sales.

11 **SEC. 304. GRANT OF LEASES BY THE SECRETARY.**

12 (a) **IN GENERAL.**—The Secretary may grant to the
13 highest responsible qualified bidder in a lease sale con-
14 ducted pursuant to section 303 any lands to be leased on
15 the Coastal Plain upon payment by the lessee of such
16 bonus as may be accepted by the Secretary.

17 (b) **SUBSEQUENT TRANSFERS.**—No lease issued
18 under this title may be sold, exchanged, assigned, sublet,
19 or otherwise transferred except with the approval of the
20 Secretary. Prior to any such approval the Secretary shall
21 consult with, and give due consideration to the views of,
22 the Attorney General.

23 **SEC. 305. LEASE TERMS AND CONDITIONS.**

24 (a) **IN GENERAL.**—An oil or gas lease issued pursu-
25 ant to this title shall—

1 (1) provide for the payment of a royalty of not
2 less than 12½ percent in amount or value of the
3 production removed or sold from the lease, as deter-
4 mined by the Secretary under the regulations appli-
5 cable to other Federal oil and gas leases;

6 (2) provide that the Secretary may close, on a
7 seasonal basis, portions of the Coastal Plain to ex-
8 ploratory drilling activities as necessary to protect
9 caribou calving areas and other species of fish and
10 wildlife;

11 (3) require that the lessee of lands within the
12 Coastal Plain shall be fully responsible and liable for
13 the reclamation of lands within the Coastal Plain
14 and any other Federal lands that are adversely af-
15 fected in connection with exploration, development,
16 production, or transportation activities conducted
17 under the lease and within the Coastal Plain by the
18 lessee or by any of the subcontractors or agents of
19 the lessee;

20 (4) provide that the lessee may not delegate or
21 convey, by contract or otherwise, the reclamation re-
22 sponsibility and liability to another person without
23 the express written approval of the Secretary;

24 (5) provide that the standard of reclamation for
25 lands required to be reclaimed under this title shall

1 be, as nearly as practicable, a condition capable of
2 supporting the uses which the lands were capable of
3 supporting prior to any exploration, development, or
4 production activities, or upon application by the les-
5 see, to a higher or better use as approved by the
6 Secretary;

7 (6) contain terms and conditions relating to
8 protection of fish and wildlife, their habitat, subsist-
9 ence resources, and the environment as required
10 pursuant to section 302(a)(2);

11 (7) provide that the lessee, its agents, and its
12 contractors use best efforts to provide a fair share,
13 as determined by the level of obligation previously
14 agreed to in the 1974 agreement implementing sec-
15 tion 29 of the Federal Agreement and Grant of
16 Right of Way for the Operation of the Trans-Alaska
17 Pipeline, of employment and contracting for Alaska
18 Natives and Alaska Native Corporations from
19 throughout the State;

20 (8) prohibit the export of oil produced under
21 the lease; and

22 (9) contain such other provisions as the Sec-
23 retary determines necessary to ensure compliance
24 with the provisions of this title and the regulations
25 issued under this title.

1 (b) **PROJECT LABOR AGREEMENTS.**—The Secretary,
2 as a term and condition of each lease under this title and
3 in recognizing the Government’s proprietary interest in
4 labor stability and in the ability of construction labor and
5 management to meet the particular needs and conditions
6 of projects to be developed under the leases issued pursu-
7 ant to this title and the special concerns of the parties
8 to such leases, shall require that the lessee and its agents
9 and contractors negotiate to obtain a project labor agree-
10 ment for the employment of laborers and mechanics on
11 production, maintenance, and construction under the
12 lease.

13 **SEC. 306. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

14 (a) **NO SIGNIFICANT ADVERSE EFFECT STANDARD**
15 **TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.**—
16 The Secretary shall, consistent with the requirements of
17 section 302, administer the provisions of this title through
18 regulations, lease terms, conditions, restrictions, prohibi-
19 tions, stipulations, and other provisions that—

20 (1) ensure the oil and gas exploration, develop-
21 ment, and production activities on the Coastal Plain
22 will result in no significant adverse effect on fish
23 and wildlife, their habitat, and the environment;

24 (2) require the application of the best commer-
25 cially available technology for oil and gas explo-

1 ration, development, and production on all new ex-
2 ploration, development, and production operations;
3 and

4 (3) ensure that the maximum amount of sur-
5 face acreage covered by production and support fa-
6 cilities, including airstrips and any areas covered by
7 gravel berms or piers for support of pipelines, does
8 not exceed 2,000 acres on the Coastal Plain.

9 (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—

10 The Secretary shall also require, with respect to any pro-
11 posed drilling and related activities, that—

12 (1) a site-specific analysis be made of the prob-
13 able effects, if any, that the drilling or related activi-
14 ties will have on fish and wildlife, their habitat, sub-
15 sistence resources, and the environment;

16 (2) a plan be implemented to avoid, minimize,
17 and mitigate (in that order and to the extent prac-
18 ticable) any significant adverse effect identified
19 under paragraph (1); and

20 (3) the development of the plan shall occur
21 after consultation with the agency or agencies hav-
22 ing jurisdiction over matters mitigated by the plan.

23 (c) REGULATIONS TO PROTECT COASTAL PLAIN
24 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
25 AND THE ENVIRONMENT.—Before implementing the leas-

1 ing program authorized by this title, the Secretary shall
2 prepare and promulgate regulations, lease terms, condi-
3 tions, restrictions, prohibitions, stipulations, and other
4 measures designed to ensure that the activities undertaken
5 on the Coastal Plain under this title are conducted in a
6 manner consistent with the purposes and environmental
7 requirements of this title.

8 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
9 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
10 proposed regulations, lease terms, conditions, restrictions,
11 prohibitions, and stipulations for the leasing program
12 under this title shall require compliance with all applicable
13 provisions of Federal and State environmental law, and
14 shall also require the following:

15 (1) Standards at least as effective as the safety
16 and environmental mitigation measures set forth in
17 items 1 through 29 at pages 167 through 169 of the
18 “Final Legislative Environmental Impact State-
19 ment” (April 1987) on the Coastal Plain.

20 (2) Seasonal limitations on exploration, develop-
21 ment, and related activities, where necessary, to
22 avoid significant adverse effects during periods of
23 concentrated fish and wildlife breeding, denning,
24 nesting, spawning, and migration.

1 (3) That exploration activities, except for sur-
2 face geological studies, be limited to the period be-
3 tween approximately November 1 and May 1 each
4 year and that exploration activities shall be sup-
5 ported, if necessary, by ice roads, winter trails with
6 adequate snow cover, ice pads, ice airstrips, and air
7 transport methods, except that such exploration ac-
8 tivities may occur at other times if the Secretary
9 finds that such exploration will have no significant
10 adverse effect on the fish and wildlife, their habitat,
11 and the environment of the Coastal Plain.

12 (4) Design safety and construction standards
13 for all pipelines and any access and service roads,
14 that—

15 (A) minimize, to the maximum extent pos-
16 sible, adverse effects upon the passage of mi-
17 gratory species such as caribou; and

18 (B) minimize adverse effects upon the flow
19 of surface water by requiring the use of cul-
20 verts, bridges, and other structural devices.

21 (5) Prohibitions on general public access and
22 use on all pipeline access and service roads.

23 (6) Stringent reclamation and rehabilitation re-
24 quirements, consistent with the standards set forth
25 in this title, requiring the removal from the Coastal

1 Plain of all oil and gas development and production
2 facilities, structures, and equipment upon completion
3 of oil and gas production operations, except that the
4 Secretary may exempt from the requirements of this
5 paragraph those facilities, structures, or equipment
6 that the Secretary determines would assist in the
7 management of the Arctic National Wildlife Refuge
8 and that are donated to the United States for that
9 purpose.

10 (7) Appropriate prohibitions or restrictions on
11 access by all modes of transportation.

12 (8) Appropriate prohibitions or restrictions on
13 sand and gravel extraction.

14 (9) Consolidation of facility siting.

15 (10) Appropriate prohibitions or restrictions on
16 use of explosives.

17 (11) Avoidance, to the extent practicable, of
18 springs, streams, and river system; the protection of
19 natural surface drainage patterns, wetlands, and ri-
20 parian habitats; and the regulation of methods or
21 techniques for developing or transporting adequate
22 supplies of water for exploratory drilling.

23 (12) Avoidance or minimization of air traffic-re-
24 lated disturbance to fish and wildlife.

1 (13) Treatment and disposal of hazardous and
2 toxic wastes, solid wastes, reserve pit fluids, drilling
3 muds and cuttings, and domestic wastewater, includ-
4 ing an annual waste management report, a haz-
5 arduous materials tracking system, and a prohibition
6 on chlorinated solvents, in accordance with applica-
7 ble Federal and State environmental law.

8 (14) Fuel storage and oil spill contingency plan-
9 ning.

10 (15) Research, monitoring, and reporting re-
11 quirements.

12 (16) Field crew environmental briefings.

13 (17) Avoidance of significant adverse effects
14 upon subsistence hunting, fishing, and trapping by
15 subsistence users.

16 (18) Compliance with applicable air and water
17 quality standards.

18 (19) Appropriate seasonal and safety zone des-
19 ignations around well sites, within which subsistence
20 hunting and trapping shall be limited.

21 (20) Reasonable stipulations for protection of
22 cultural and archeological resources.

23 (21) All other protective environmental stipula-
24 tions, restrictions, terms, and conditions deemed
25 necessary by the Secretary.

1 (e) CONSIDERATIONS.—In preparing and promul-
2 gating regulations, lease terms, conditions, restrictions,
3 prohibitions, and stipulations under this section, the Sec-
4 retary shall consider the following:

5 (1) The stipulations and conditions that govern
6 the National Petroleum Reserve-Alaska leasing pro-
7 gram, as set forth in the 1999 Northeast National
8 Petroleum Reserve-Alaska Final Integrated Activity
9 Plan/Environmental Impact Statement.

10 (2) The environmental protection standards
11 that governed the initial Coastal Plain seismic explo-
12 ration program under parts 37.31 to 37.33 of title
13 50, Code of Federal Regulations.

14 (3) The land use stipulations for exploratory
15 drilling on the KIC–ASRC private lands that are set
16 forth in Appendix 2 of the August 9, 1983, agree-
17 ment between Arctic Slope Regional Corporation and
18 the United States.

19 (f) FACILITY CONSOLIDATION PLANNING.—

20 (1) IN GENERAL.—The Secretary shall, after
21 providing for public notice and comment, prepare
22 and update periodically a plan to govern, guide, and
23 direct the siting and construction of facilities for the
24 exploration, development, production, and transpor-
25 tation of Coastal Plain oil and gas resources.

1 (2) OBJECTIVES.—The plan shall have the fol-
2 lowing objectives:

3 (A) Avoiding unnecessary duplication of fa-
4 cilities and activities.

5 (B) Encouraging consolidation of common
6 facilities and activities.

7 (C) Locating or confining facilities and ac-
8 tivities to areas that will minimize impact on
9 fish and wildlife, their habitat, and the environ-
10 ment.

11 (D) Utilizing existing facilities wherever
12 practicable.

13 (E) Enhancing compatibility between wild-
14 life values and development activities.

15 (g) ACCESS TO PUBLIC LANDS.—The Secretary
16 shall—

17 (1) manage public lands in the Coastal Plain
18 subject to subsections (a) and (b) of section 811 of
19 the Alaska National Interest Lands Conservation
20 Act (16 U.S.C. 3121); and

21 (2) ensure that local residents shall have rea-
22 sonable access to public lands in the Coastal Plain
23 for traditional uses.

24 **SEC. 307. EXPEDITED JUDICIAL REVIEW.**

25 (a) FILING OF COMPLAINT.—

1 (1) DEADLINE.—Subject to paragraph (2), any
2 complaint seeking judicial review of any provision of
3 this title or any action of the Secretary under this
4 title shall be filed—

5 (A) except as provided in subparagraph

6 (B), within the 90-day period beginning on the
7 date of the action being challenged; or

8 (B) in the case of a complaint based solely
9 on grounds arising after such period, within 90
10 days after the complainant knew or reasonably
11 should have known of the grounds for the com-
12 plaint.

13 (2) VENUE.—Any complaint seeking judicial re-
14 view of any provision of this title or any action of
15 the Secretary under this title may be filed only in
16 the United States Court of Appeals for the District
17 of Columbia.

18 (3) LIMITATION ON SCOPE OF CERTAIN RE-
19 VIEW.—Judicial review of a Secretarial decision to
20 conduct a lease sale under this title, including the
21 environmental analysis thereof, shall be limited to
22 whether the Secretary has complied with the terms
23 of this title and shall be based upon the administra-
24 tive record of that decision. The Secretary's identi-
25 fication of a preferred course of action to enable

1 leasing to proceed and the Secretary's analysis of
2 environmental effects under this title shall be pre-
3 sumed to be correct unless shown otherwise by clear
4 and convincing evidence to the contrary.

5 (b) LIMITATION ON OTHER REVIEW.—Actions of the
6 Secretary with respect to which review could have been
7 obtained under this section shall not be subject to judicial
8 review in any civil or criminal proceeding for enforcement.

9 **SEC. 308. FEDERAL AND STATE DISTRIBUTION OF REVE-**
10 **NUES.**

11 (a) IN GENERAL.—Notwithstanding any other provi-
12 sion of law, of the amount of adjusted bonus, rental, and
13 royalty revenues from Federal oil and gas leasing and op-
14 erations authorized under this title—

15 (1) 50 percent shall be paid to the State of
16 Alaska;

17 (2) except as provided in section 311(d), the
18 balance shall be transferred to the American-Made
19 Energy Trust Fund.

20 (b) PAYMENTS TO ALASKA.—Payments to the State
21 of Alaska under this section shall be made semiannually.

22 **SEC. 309. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

23 (a) IN GENERAL.—The Secretary shall issue rights-
24 of-way and easements across the Coastal Plain for the
25 transportation of oil and gas—

1 (1) except as provided in paragraph (2), under
2 section 28 of the Mineral Leasing Act (30 U.S.C.
3 185), without regard to title XI of the Alaska Na-
4 tional Interest Lands Conservation Act (30 U.S.C.
5 3161 et seq.); and

6 (2) under title XI of the Alaska National Inter-
7 est Lands Conservation Act (30 U.S.C. 3161 et
8 seq.), for access authorized by sections 1110 and
9 1111 of that Act (16 U.S.C. 3170 and 3171).

10 (b) **TERMS AND CONDITIONS.**—The Secretary shall
11 include in any right-of-way or easement issued under sub-
12 section (a) such terms and conditions as may be necessary
13 to ensure that transportation of oil and gas does not result
14 in a significant adverse effect on the fish and wildlife, sub-
15 sistence resources, their habitat, and the environment of
16 the Coastal Plain, including requirements that facilities be
17 sited or designed so as to avoid unnecessary duplication
18 of roads and pipelines.

19 (c) **REGULATIONS.**—The Secretary shall include in
20 regulations under section 302(g) provisions granting
21 rights-of-way and easements described in subsection (a)
22 of this section.

23 **SEC. 310. CONVEYANCE.**

24 In order to maximize Federal revenues by removing
25 clouds on title to lands and clarifying land ownership pat-

1 terns within the Coastal Plain, the Secretary, notwith-
2 standing the provisions of section 1302(h)(2) of the Alas-
3 ka National Interest Lands Conservation Act (16 U.S.C.
4 3192(h)(2)), shall convey—

5 (1) to the Kaktovik Inupiat Corporation the
6 surface estate of the lands described in paragraph 1
7 of Public Land Order 6959, to the extent necessary
8 to fulfill the Corporation's entitlement under sec-
9 tions 12 and 14 of the Alaska Native Claims Settle-
10 ment Act (43 U.S.C. 1611 and 1613) in accordance
11 with the terms and conditions of the Agreement be-
12 tween the Department of the Interior, the United
13 States Fish and Wildlife Service, the Bureau of
14 Land Management, and the Kaktovik Inupiat Cor-
15 poration effective January 22, 1993; and

16 (2) to the Arctic Slope Regional Corporation
17 the remaining subsurface estate to which it is enti-
18 tled pursuant to the August 9, 1983, agreement be-
19 tween the Arctic Slope Regional Corporation and the
20 United States of America.

21 **SEC. 311. LOCAL GOVERNMENT IMPACT AID AND COMMU-**
22 **NITY SERVICE ASSISTANCE.**

23 (a) FINANCIAL ASSISTANCE AUTHORIZED.—

24 (1) IN GENERAL.—The Secretary may use
25 amounts available from the Coastal Plain Local Gov-

1 ernment Impact Aid Assistance Fund established by
2 subsection (d) to provide timely financial assistance
3 to entities that are eligible under paragraph (2) and
4 that are directly impacted by the exploration for or
5 production of oil and gas on the Coastal Plain under
6 this title.

7 (2) ELIGIBLE ENTITIES.—The North Slope
8 Borough, the City of Kaktovik, and any other bor-
9 rough, municipal subdivision, village, or other com-
10 munity in the State of Alaska that is directly im-
11 pacted by exploration for, or the production of, oil
12 or gas on the Coastal Plain under this title, as de-
13 termined by the Secretary, shall be eligible for finan-
14 cial assistance under this section.

15 (b) USE OF ASSISTANCE.—Financial assistance
16 under this section may be used only for—

17 (1) planning for mitigation of the potential ef-
18 fects of oil and gas exploration and development on
19 environmental, social, cultural, recreational, and sub-
20 sistence values;

21 (2) implementing mitigation plans and main-
22 taining mitigation projects;

23 (3) developing, carrying out, and maintaining
24 projects and programs that provide new or expanded
25 public facilities and services to address needs and

1 problems associated with such effects, including fire-
2 fighting, police, water, waste treatment, medivac,
3 and medical services; and

4 (4) establishment of a coordination office, by
5 the north slope borough, in the city of kaktovik,
6 which shall—

7 (A) coordinate with and advise developers
8 on local conditions, impact, and history of the
9 areas utilized for development; and

10 (B) provide to the Committee on Resources
11 of the House of Representatives and the Com-
12 mittee on Energy and Natural Resources of the
13 Senate an annual report on the status of co-
14 ordination between developers and the commu-
15 nities affected by development.

16 (c) APPLICATION.—

17 (1) IN GENERAL.—Any community that is eligi-
18 ble for assistance under this section may submit an
19 application for such assistance to the Secretary, in
20 such form and under such procedures as the Sec-
21 retary may prescribe by regulation.

22 (2) NORTH SLOPE BOROUGH COMMUNITIES.—A
23 community located in the North Slope Borough may
24 apply for assistance under this section either directly

1 to the Secretary or through the North Slope Bor-
2 ough

3 (3) APPLICATION ASSISTANCE.—The Secretary
4 shall work closely with and assist the North Slope
5 Borough and other communities eligible for assist-
6 ance under this section in developing and submitting
7 applications for assistance under this section.

8 (d) ESTABLISHMENT OF FUND.—

9 (1) IN GENERAL.—There is established in the
10 Treasury the Coastal Plain Local Government Im-
11 pact Aid Assistance Fund.

12 (2) USE.—Amounts in the fund may be used
13 only for providing financial assistance under this
14 section.

15 (3) DEPOSITS.—Subject to paragraph (4), there
16 shall be deposited into the fund amounts received by
17 the United States as revenues derived from rents,
18 bonuses, and royalties from Federal leases and lease
19 sales authorized under this title.

20 (4) LIMITATION ON DEPOSITS.—The total
21 amount in the fund may not exceed \$11,000,000.

22 (5) INVESTMENT OF BALANCES.—The Sec-
23 retary of the Treasury shall invest amounts in the
24 fund in interest bearing government securities.

1 (e) AUTHORIZATION OF APPROPRIATIONS.—To pro-
2 vide financial assistance under this section there is author-
3 ized to be appropriated to the Secretary from the Coastal
4 Plain Local Government Impact Aid Assistance Fund
5 \$5,000,000 for each fiscal year.

○