I

112TH CONGRESS
1ST SESSION

H. R. 3410

To require the Secretary of the Interior to conduct certain offshore oil and gas lease sales, to provide fair and equitable revenue sharing for all coastal States, to formulate future offshore energy development plans in areas with the most potential, to generate revenue for American infrastructure, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2011

Mr. STIVERS (for himself, Mr. LATOURETTE, Mr. TIBERI, Mr. FITZPATRICK, Mr. GERLACH, Mr. WOMACK, Mr. REED, Mr. JOHNSON of Ohio, and Mr. MEEHAN) introduced the following bill; which was referred to the Committee on Natural Resources

---

A BILL

To require the Secretary of the Interior to conduct certain offshore oil and gas lease sales, to provide fair and equitable revenue sharing for all coastal States, to formulate future offshore energy development plans in areas with the most potential, to generate revenue for American infrastructure, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Energy Security and Transportation Jobs Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE I—EXPANDING OFFSHORE ENERGY DEVELOPMENT

SEC. 101. OUTER CONTINENTAL SHELF LEASING PROGRAM.

Section 18(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1344(a)) is amended by adding at the end the following:

"(5)(A) In each oil and gas leasing program under this section, the Secretary shall make available for leasing and conduct lease sales including—

"(i) at least 50 percent of the available unleased acreage within each outer Continental Shelf planning area considered to have the largest undiscovered, technically recoverable oil and gas resources (on a total btu basis) based upon the most recent national geologic assessment of the outer Continental Shelf, with an emphasis on offering the most geologically prospective parts of the planning area; and

"(ii) any State subdivision of an outer Continental Shelf planning area that the Governor of the State that represents that subdivision requests be made available for leasing.

"(B) In this paragraph the term 'available unleased acreage' means that portion of the outer Continental Shelf that is not under lease at the time of a proposed lease sale, and that has not otherwise been made unavailable for leasing by law.

"(6)(A) In the 2012–2017 5-year oil and gas leasing program, the Secretary shall make available for leasing any outer Continental Shelf planning areas that—

"(i) are estimated to contain more than 2,500,000,000 barrels of oil; or

"(ii) are estimated to contain more than 7,500,000,000,000 cubic feet of natural gas.

"(B) To determine the planning areas described in subparagraph (A), the Secretary shall use the document entitled 'Minerals Management Service Assessment of Undiscovered Technically Recoverable Oil and Gas Resources of the Nation's Outer Continental Shelf, 2006'.".

SEC. 102. DOMESTIC OIL AND NATURAL GAS PRODUCTION GOAL.

Section 18(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1344(b)) is amended to read as follows:

"(b) DOMESTIC OIL AND NATURAL GAS PRODUCTION GOAL.—

"(1) IN GENERAL.—In developing a 5-year oil and gas leasing program, and subject to paragraph (2), the Secretary shall determine a domestic strategic production goal for the development of oil and natural gas as a result of that program. Such goal shall be—

"(A) the best estimate of the possible increase in domestic production of oil and natural gas from the outer Continental Shelf;

"(B) focused on meeting domestic demand for oil and natural gas and reducing the dependence of the United States on foreign energy; and

"(C) focused on the production increases achieved by the leasing program at the end of the 15-year period beginning on the effective date of the program.

"(2) 2012–2017 PROGRAM GOAL.—For purposes of the 2012–2017 5-year oil and gas leasing program, the production goal referred to in paragraph (1) shall be an increase by 2027 of—

"(A) no less than 3,000,000 barrels in the amount of oil produced per day; and

"(B) no less than 10,000,000,000 cubic feet in the amount of natural gas produced per day.

"(3) REPORTING.—The Secretary shall report annually, beginning at the end of the 5-year period for which the program applies, to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on the progress of the program in meeting the production goal. The Secretary shall identify in the report projections for production and any problems with leasing, permitting, or production that will prevent meeting the goal.".

TITLE II—CONDUCTING PROMPT OFFSHORE LEASE SALES

SEC. 201. REQUIREMENT TO CONDUCT PROPOSED OIL AND GAS LEASE SALE 216 IN THE CENTRAL GULF OF MEXICO.

(a) IN GENERAL.—The Secretary of the Interior shall conduct offshore oil and gas Lease Sale 216 under section 8 of the Outer Continental Shelf Lands Act (33 U.S.C. 1337) as soon as practicable, but not later than 4 months after the date of enactment of this Act.

(b) ENVIRONMENTAL REVIEW.—For the purposes of that lease sale, the Environmental Impact Statement for the 2007–2012 5 Year OUTER CONTINENTAL SHELF Plan and the Multi-Sale Environmental Impact Statement are deemed to satisfy the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

SEC. 202. REQUIREMENT TO CONDUCT PROPOSED OIL AND GAS LEASE SALE 220 ON THE OUTER CONTINENTAL SHELF OFFSHORE VIRGINIA.

(a) IN GENERAL.—Notwithstanding the inclusion of Lease Sale 220 in the fiscal years 2012 through fiscal year 2017 5 Year Outer Continental Shelf Oil and Gas Leasing Program, the Secretary shall conduct offshore oil and gas Lease Sale 220 under section 8 of the Outer Continental

Shelf Lands Act (33 U.S.C. 1337) as soon as practicable, but not later than one year after the date of enactment of this Act.

(b) PROHIBITION ON CONFLICTS WITH MILITARY OPERATIONS.—No person may engage in any exploration, development, or production of oil or natural gas off the coast of Virginia that would conflict with any military operation, as determined in accordance with the Memorandum of Agreement between the Department of Defense and the Department of the Interior on Mutual Concerns on the Outer Continental Shelf signed July 20, 1983, and any revision or replacement for that agreement that is agreed to by the Secretary of Defense and the Secretary of the Interior after that date but before the date of issuance of the lease under which such exploration, development, or production is conducted.

SEC. 203. REQUIREMENT TO CONDUCT PROPOSED OIL AND GAS LEASE SALE 222 IN THE CENTRAL GULF OF MEXICO.

(a) IN GENERAL.—The Secretary shall conduct offshore oil and gas Lease Sale 222 under section 8 of the Outer Continental Shelf Lands Act (33 U.S.C. 1337) as soon as practicable, but not later than September 1, 2012.

(b) ENVIRONMENTAL REVIEW.—For the purposes of that lease sale, the Environmental Impact Statement for the 2007–2012 5 Year OUTER CONTINENTAL SHELF Plan and the Multi-Sale Environmental Impact Statement are deemed to satisfy the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

SEC. 204. ADDITIONAL LEASES.

Section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) is amended by adding at the end the following:

''(i) ADDITIONAL LEASE SALES.—In addition to lease sales in accordance with a leasing program in effect under this section, the Secretary may hold lease sales for areas identified by the Secretary to have the greatest potential for new oil and gas development as a result of local support, new seismic findings, or nomination by interested persons.''.

SEC. 205. DEFINITIONS.

In this title:

(1) The term ''Environmental Impact Statement for the 2007–2012 5 Year OUTER CONTINENTAL SHELF Plan'' means the Final Environmental Impact Statement for Outer Continental Shelf Oil and Gas Leasing Program: 2007–2012 (April 2007) prepared by the Secretary.

(2) The term ''Multi-Sale Environmental Impact Statement'' means the Environmental Impact Statement for Proposed Western Gulf of Mexico OUTER CONTINENTAL SHELF Oil and Gas Lease Sales 204, 207, 210, 215, and 218, and Proposed Central Gulf of Mexico OUTER CONTINENTAL SHELF Oil and Gas Lease Sales 205, 206, 208, 213, 216, and 222 (September 2008) prepared by the Secretary.

(3) The term ''Secretary'' means the Secretary of the Interior.

TITLE III—LEASING IN NEW OFFSHORE AREAS

SEC. 301. LEASING IN THE EASTERN GULF OF MEXICO.

Section 104 of division C of the Tax Relief and Health Care Act of 2006 (Public Law 109–432; 120 Stat. 3003) is repealed.

SEC. 302. LEASING OFFSHORE OF TERRITORIES OF THE UNITED STATES.

Section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331) is amended, by inserting after ''control'' the following: ''or lying within the United States' exclusive economic zone and the Continental Shelf adjacent to the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, Guam, or the other territories of the United States''.

TITLE IV—OUTER CONTINENTAL SHELF REVENUE SHARING

SEC. 401. DISPOSITION OF OUTER CONTINENTAL SHELF REVENUES.

Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended—

(1) in the existing text—

(A) in the first sentence, by striking ''All rentals,'' and inserting the following:

''(c) DISPOSITION OF REVENUE UNDER OLD LEASES.—All rentals,''; and

(B) in subsection (c) (as designated by the amendment made by subparagraph (A) of this paragraph), by striking ''for the period from June 5, 1950, to date, and thereafter'' and inserting ''in the period beginning June 5, 1950, and ending on the date of enactment of the Energy Security and Transportation Jobs Act'';

(2) by adding after subsection (c) (as so designated) the following:

''(d) NEW LEASING REVENUES DEFINED.—In this section the term 'new leasing revenues' means amounts received by the United States as bonuses, rents, and royalties under leases for oil and gas, wind, tidal, or other energy exploration, development, and production that are awarded under this Act after the date of enactment of the Energy Security and Transportation Jobs Act.''; and

(3) by inserting before subsection (c) (as so designated) the following:

''(a) PAYMENT OF NEW LEASING REVENUES TO COASTAL STATES, GENERALLY.—

''(1) IN GENERAL.—Of the amount of new leasing revenues received by the United States each fiscal year that is described in paragraph (2), 37.5 percent shall be allocated and paid in accordance with subsection (b) to coastal States that are affected States with respect to the leases under which those revenues are received by the United States.

''(2) PHASE-IN.—The amount of new leasing revenues referred to in paragraph (1) is the sum determined by adding—

''(A) 35 percent of new leasing revenues received by the United States in the fiscal year under—

''(i) leases awarded under the first leasing program under section 18(a) that takes effect after the date of enactment of the Energy Security and Transportation Jobs Act; and

"(ii) other leases issued as a result of the enactment of that Act;

"(B) 70 percent of new leasing revenues received by the United States in the fiscal year under leases awarded under the second such leasing program; and

"(C) 100 percent of new leasing revenues received by the United States under leases awarded under the third such leasing program or any such leasing program taking effect thereafter.

"(b) ALLOCATION OF PAYMENTS TO COASTAL STATES.—

"(1) IN GENERAL.—The amount of new leasing revenues received by the United States with respect to a leased tract that are required to be paid to coastal States in accordance with this subsection each fiscal year shall be allocated among and paid to such States that are within 200 miles of the leased tract, in amounts that are inversely proportional to the respective distances between the point on the coastline of each such State that is closest to the geographic center of the lease tract, as determined by the Secretary.

"(2) MINIMUM AND MAXIMUM ALLOCATION.—The amount allocated to a coastal State under paragraph (1) each fiscal year with respect to a leased tract shall be—

"(A) in the case of a coastal State that is the nearest State to the geographic center of the leased tract, not less than 25 percent of the total amounts allocated with respect to the leased tract; and

"(B) in the case of any other coastal State, not less than 10 percent, and not more than 15 percent, of the total amounts allocated with respect to the leased tract.

"(3) ADMINISTRATION.—Amounts allocated to a coastal State under this subsection—

"(A) shall be available to the State without further appropriation;

"(B) shall remain available until expended; and

"(C) shall be in addition to any other amounts available to the State under this Act.

"(4) USE OF FUNDS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a coastal State may use funds allocated and paid to it under this subsection for any purpose as determined by State law.

"(B) RESTRICTION ON USE FOR MATCHING.—Funds allocated and paid to a coastal State under this subsection may not be used as matching funds for any other Federal program.".

○