

113TH CONGRESS
1ST SESSION

H. R. 2784

To amend the Outer Continental Shelf Lands Act to require the Secretary of the Interior to conduct offshore oil and gas leasing, to use revenues from such leasing to capitalize bonds that provide a dedicated source of revenue to fund highway, other transportation, and water infrastructure projects, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2013

Mr. STIVERS (for himself and Mr. RICHMOND) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on Ways and Means, Transportation and Infrastructure, and Energy and Commerce, 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 amend the Outer Continental Shelf Lands Act to require the Secretary of the Interior to conduct offshore oil and gas leasing, to use revenues from such leasing to capitalize bonds that provide a dedicated source of revenue to fund highway, other transportation, and water infrastructure projects, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “American-Made En-
3 ergy and Infrastructure Jobs Act”.

4 **SEC. 2. TABLE OF CONTENTS.**

5 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—OUTER CONTINENTAL SHELF LEASING PROGRAM
REFORMS

Sec. 101. Outer Continental Shelf leasing program reforms.

Sec. 102. Domestic oil and natural gas production goal.

Sec. 103. Development and submittal of new 5-year oil and gas leasing pro-
gram.

TITLE II—ENHANCING THE 2012–2017 FIVE-YEAR OUTER
CONTINENTAL SHELF OIL AND GAS LEASING PROGRAM

Sec. 201. Requirement to conduct proposed oil and gas Lease Sale 220 on the
Outer Continental Shelf offshore Virginia.

Sec. 202. South Carolina lease sale.

Sec. 203. Southern California existing infrastructure lease sale.

Sec. 204. Environmental impact statement requirement.

Sec. 205. National defense.

TITLE III—EQUITABLE SHARING OF OUTER CONTINENTAL
SHELF REVENUES

Sec. 301. Disposition of Outer Continental Shelf revenues to coastal States.

Sec. 302. Acceleration of Phase II GOMESA revenue sharing.

TITLE IV—REORGANIZATION OF MINERALS MANAGEMENT
AGENCIES OF THE DEPARTMENT OF THE INTERIOR

Sec. 401. Establishment of Under Secretary for Energy, Lands, and Minerals
and Assistant Secretary of Ocean Energy and Safety.

Sec. 402. Bureau of Ocean Energy.

Sec. 403. Ocean Energy Safety Service.

Sec. 404. Office of Natural Resources revenue.

Sec. 405. Ethics and drug testing.

Sec. 406. Abolishment of Minerals Management Service.

Sec. 407. Conforming amendments to Executive Schedule pay rates.

Sec. 408. Outer Continental Shelf Energy Safety Advisory Board.

Sec. 409. Outer Continental Shelf inspection fees.

TITLE V—UNITED STATES TERRITORIES

Sec. 501. Application of Outer Continental Shelf Lands Act with respect to ter-
ritories of the United States.

TITLE VI—INFRASTRUCTURE REVENUE BONDS

Sec. 601. Leveraging Infrastructure Trust Account with infrastructure revenue bonds.

Sec. 602. Ninety-five percent of bond proceeds for Highway Trust Fund.

Sec. 603. Five percent of bond proceeds for State revolving loan funds for wastewater treatment facilities and drinking water facilities.

1 **TITLE I—OUTER CONTINENTAL**
 2 **SHELF LEASING PROGRAM**
 3 **REFORMS**

4 **SEC. 101. OUTER CONTINENTAL SHELF LEASING PROGRAM**
 5 **REFORMS.**

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

9 “(5)(A) In each oil and gas leasing program
 10 under this section, the Secretary shall make avail-
 11 able for leasing and conduct lease sales including at
 12 least 50 percent of the available unleased acreage
 13 within each outer Continental Shelf planning area
 14 considered to have the largest undiscovered, tech-
 15 nically recoverable oil and gas resources (on a total
 16 btu basis) based upon the most recent national geo-
 17 logic assessment of the outer Continental Shelf, with
 18 an emphasis on offering the most geologically pro-
 19 spective parts of the planning area.

20 “(B) The Secretary shall include in each pro-
 21 posed oil and gas leasing program under this section
 22 any State subdivision of an outer Continental Shelf
 23 planning area that the Governor of the State that

1 represents that subdivision requests be made avail-
2 able for leasing. The Secretary may not remove such
3 a subdivision from the program until publication of
4 the final program.

5 “(C) In this paragraph the term ‘available un-
6 leased acreage’ means that portion of the outer Con-
7 tinental Shelf that is not under lease at the time of
8 a proposed lease sale, and that has not otherwise
9 been made unavailable for leasing by law.

10 “(6)(A) In the 5-year oil and gas leasing pro-
11 gram, the Secretary shall make available for leasing
12 any outer Continental Shelf planning areas that—

13 “(i) are estimated to contain more than
14 2,500,000,000 barrels of oil; or

15 “(ii) are estimated to contain more than
16 7,500,000,000,000 cubic feet of natural gas.

17 “(B) To determine the planning areas described
18 in subparagraph (A), the Secretary shall use the
19 document entitled ‘Minerals Management Service
20 Assessment of Undiscovered Technically Recoverable
21 Oil and Gas Resources of the Nation’s Outer Conti-
22 nental Shelf, 2006’.”.

1 **SEC. 102. DOMESTIC OIL AND NATURAL GAS PRODUCTION**

2 **GOAL.**

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

5 “(b) DOMESTIC OIL AND NATURAL GAS PRODUC-
6 TION GOAL.—

7 “(1) IN GENERAL.—In developing a 5-year oil
8 and gas leasing program, and subject to paragraph
9 (2), the Secretary shall determine a domestic stra-
10 tegic production goal for the development of oil and
11 natural gas as a result of that program. Such goal
12 shall be—

13 “(A) the best estimate of the possible in-
14 crease in domestic production of oil and natural
15 gas from the outer Continental Shelf;

16 “(B) focused on meeting domestic demand
17 for oil and natural gas and reducing the de-
18 pendence of the United States on foreign en-
19 ergy; and

20 “(C) focused on the production increases
21 achieved by the leasing program at the end of
22 the 15-year period beginning on the effective
23 date of the program.

24 “(2) PROGRAM GOAL.—For purposes of the 5-
25 year oil and gas leasing program, the production

1 goal referred to in paragraph (1) shall be an in-
2 crease by 2032 of—

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

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

8 “(3) REPORTING.—The Secretary shall report
9 annually, beginning at the end of the 5-year period
10 for which the program applies, to the Committee on
11 Natural Resources of the House of Representatives
12 and the Committee on Energy and Natural Re-
13 sources of the Senate on the progress of the pro-
14 gram in meeting the production goal. The Secretary
15 shall identify in the report projections for production
16 and any problems with leasing, permitting, or pro-
17 duction that will prevent meeting the goal.”.

18 **SEC. 103. DEVELOPMENT AND SUBMITTAL OF NEW 5-YEAR**

19 **OIL AND GAS LEASING PROGRAM.**

20 (a) IN GENERAL.—The Secretary of the Interior
21 shall—

22 (1) by not later than July 15, 2014, publish
23 and submit to Congress a new proposed oil and gas
24 leasing program under section 18 of the Outer Con-
25 tinental Shelf Lands Act (43 U.S.C. 1344) for the

1 5-year period beginning on such date and ending
2 July 15, 2020; and

3 (2) by not later than July 15, 2015, approve a
4 final oil and gas leasing program under such section
5 for such period.

6 (b) CONSIDERATION OF ALL AREAS.—In preparing
7 such program the Secretary shall include consideration of
8 areas of the Continental Shelf off the coasts of all States
9 (as such term is defined in section 2 of that Act, as
10 amended by this Act), that are subject to leasing under
11 this Act.

12 (c) TECHNICAL CORRECTION.—Section 18(d)(3) of
13 the Outer Continental Shelf Lands Act (43 U.S.C.
14 1344(d)(3)) is amended by striking “or after eighteen
15 months following the date of enactment of this section,
16 whichever first occurs,”.

17 **TITLE II—ENHANCING THE 2012–**
18 **2017 FIVE-YEAR OUTER CON-**
19 **TINENTAL SHELF OIL AND**
20 **GAS LEASING PROGRAM**

21 **SEC. 201. REQUIREMENT TO CONDUCT PROPOSED OIL AND**
22 **GAS LEASE SALE 220 ON THE OUTER CONTI-**
23 **NENTAL SHELF OFFSHORE VIRGINIA.**

24 (a) IN GENERAL.—Notwithstanding the inclusion of
25 Lease Sale 220 in the Final Outer Continental Shelf Oil

1 & Gas Leasing Program 2012–2017, the Secretary of the
2 Interior shall conduct offshore oil and gas Lease Sale 220
3 under section 8 of the Outer Continental Shelf Lands Act
4 (43 U.S.C. 1337) as soon as practicable, but not later
5 than one year after the date of enactment of this Act.

6 (b) REQUIREMENT TO MAKE REPLACEMENT LEASE
7 BLOCKS AVAILABLE.—For each lease block in a proposed
8 lease sale under this section for which the Secretary of
9 Defense, in consultation with the Secretary of the Interior,
10 under the Memorandum of Agreement referred to in sec-
11 tion 205(b), issues a statement proposing deferral from
12 a lease offering due to defense-related activities that are
13 irreconcilable with mineral exploration and development,
14 the Secretary of the Interior, in consultation with the Sec-
15 retary of Defense, shall make available in the same lease
16 sale one other lease block in the Virginia lease sale plan-
17 ning area that is acceptable for oil and gas exploration
18 and production in order to mitigate conflict.

19 (c) BALANCING MILITARY AND ENERGY PRODUC-
20 TION GOALS.—In recognition that the Outer Continental
21 Shelf oil and gas leasing program and the domestic energy
22 resources produced therefrom are integral to national se-
23 curity, the Secretary of the Interior and the Secretary of
24 Defense shall work jointly in implementing this section in

1 order to ensure achievement of the following common
2 goals:

3 (1) Preserving the ability of the Armed Forces
4 of the United States to maintain an optimum state
5 of readiness through their continued use of the
6 Outer Continental Shelf.

7 (2) Allowing effective exploration, development,
8 and production of our Nation's oil, gas, and renew-
9 able energy resources.

10 (d) DEFINITIONS.—In this section:

11 (1) LEASE SALE 220.—The term “Lease Sale
12 220” means such lease sale referred to in the Re-
13 quest for Comments on the Draft Proposed 5-Year
14 Outer Continental Shelf (OCS) Oil and Gas Leasing
15 Program for 2010–2015 and Notice of Intent To
16 Prepare an Environmental Impact Statement (EIS)
17 for the Proposed 5-Year Program published January
18 21, 2009 (74 Fed. Reg. 3631).

19 (2) VIRGINIA LEASE SALE PLANNING AREA.—
20 The term “Virginia lease sale planning area” means
21 the area of the outer Continental Shelf (as that term
22 is defined in the Outer Continental Shelf Lands Act
23 (33 U.S.C. 1331 et seq.)) that is bounded by—

24 (A) a northern boundary consisting of a
25 straight line extending from the northernmost

1 point of Virginia’s seaward boundary to the
2 point on the seaward boundary of the United
3 States exclusive economic zone located at 37 de-
4 grees 17 minutes 1 second North latitude, 71
5 degrees 5 minutes 16 seconds West longitude;
6 and

7 (B) a southern boundary consisting of a
8 straight line extending from the southernmost
9 point of Virginia’s seaward boundary to the
10 point on the seaward boundary of the United
11 States exclusive economic zone located at 36 de-
12 grees 31 minutes 58 seconds North latitude, 71
13 degrees 30 minutes 1 second West longitude.

14 **SEC. 202. SOUTH CAROLINA LEASE SALE.**

15 Notwithstanding inclusion of the South Atlantic
16 Outer Continental Shelf Planning Area in the Final Outer
17 Continental Shelf Oil & Gas Leasing Program 2012–2017,
18 the Secretary of the Interior shall conduct a lease sale not
19 later than 2 years after the date of the enactment of this
20 Act for areas off the coast of South Carolina determined
21 by the Secretary to have the most geologically promising
22 hydrocarbon resources and constituting not less than 25
23 percent of the leasable area within the South Carolina off-
24 shore administrative boundaries depicted in the notice en-
25 titled “Federal Outer Continental Shelf (OCS) Adminis-

1 trative Boundaries Extending from the Submerged Lands
2 Act Boundary seaward to the Limit of the United States
3 Outer Continental Shelf”, published January 3, 2006 (71
4 Fed. Reg. 127).

5 **SEC. 203. SOUTHERN CALIFORNIA EXISTING INFRASTRUC-**
6 **TURE LEASE SALE.**

7 (a) IN GENERAL.—The Secretary of the Interior shall
8 offer for sale leases of tracts in the Santa Maria and
9 Santa Barbara/Ventura Basins of the Southern California
10 OCS Planning Area as soon as practicable, but not later
11 than December 31, 2014.

12 (b) USE OF EXISTING STRUCTURES OR ONSHORE-
13 BASED DRILLING.—The Secretary of the Interior shall in-
14 clude in leases offered for sale under this lease sale such
15 terms and conditions as are necessary to require that de-
16 velopment and production may occur only from offshore
17 infrastructure in existence on the date of the enactment
18 of this Act or from onshore-based, extended-reach drilling.

19 **SEC. 204. ENVIRONMENTAL IMPACT STATEMENT REQUIRE-**
20 **MENT.**

21 (a) IN GENERAL.—For the purposes of this Act, the
22 Secretary of the Interior shall prepare a multisale environ-
23 mental impact statement under section 102 of the Na-
24 tional Environmental Policy Act of 1969 (42 U.S.C. 4332)
25 for all lease sales required under this title.

1 (b) ACTIONS TO BE CONSIDERED.—Notwithstanding
2 section 102 of the National Environmental Policy Act of
3 1969 (42 U.S.C. 4332), in such statement—

4 (1) the Secretary is not required to identify
5 nonleasing alternative courses of action or to analyze
6 the environmental effects of such alternative courses
7 of action; and

8 (2) the Secretary shall only—

9 (A) identify a preferred action for leasing
10 and not more than one alternative leasing pro-
11 posal; and

12 (B) analyze the environmental effects and
13 potential mitigation measures for such pre-
14 ferred action and such alternative leasing pro-
15 posal.

16 **SEC. 205. NATIONAL DEFENSE.**

17 (a) NATIONAL DEFENSE AREAS.—This Act does not
18 affect the existing authority of the Secretary of Defense,
19 with the approval of the President, to designate national
20 defense areas on the Outer Continental Shelf pursuant to
21 section 12(d) of the Outer Continental Shelf Lands Act
22 (43 U.S.C. 1341(d)).

23 (b) PROHIBITION ON CONFLICTS WITH MILITARY
24 OPERATIONS.—No person may engage in any exploration,
25 development, or production of oil or natural gas on the

1 Outer Continental Shelf under a lease issued under this
2 Act that would conflict with any military operation, as de-
3 termined in accordance with the Memorandum of Agree-
4 ment between the Department of Defense and the Depart-
5 ment of the Interior on Mutual Concerns on the Outer
6 Continental Shelf signed July 20, 1983, and any revision
7 or replacement for that agreement that is agreed to by
8 the Secretary of Defense and the Secretary of the Interior
9 after that date but before the date of issuance of the lease
10 under which such exploration, development, or production
11 is conducted.

12 **TITLE III—EQUITABLE SHARING**
13 **OF OUTER CONTINENTAL**
14 **SHELF REVENUES**

15 **SEC. 301. DISPOSITION OF OUTER CONTINENTAL SHELF**
16 **REVENUES TO COASTAL STATES.**

17 (a) IN GENERAL.—Section 9 of the Outer Conti-
18 nental Shelf Lands Act (43 U.S.C. 1338) is amended—

19 (1) in the existing text—

20 (A) in the first sentence, by striking “All
21 rentals,” and inserting the following:

22 “(c) DISPOSITION OF REVENUE UNDER OLD
23 LEASES.—All rentals,”; and

24 (B) in subsection (c) (as designated by the
25 amendment made by subparagraph (A) of this

1 paragraph), by striking “for the period from
2 June 5, 1950, to date, and thereafter” and in-
3 sserting “in the period beginning June 5, 1950,
4 and ending on the date of enactment of the
5 American-Made Energy and Infrastructure
6 Jobs Act”;

7 (2) by adding after subsection (c) (as so des-
8 ignated) the following:

9 “(d) DEFINITIONS.—In this section:

10 “(1) COASTAL STATE.—The term ‘coastal
11 State’ includes a territory of the United States.

12 “(2) NEW LEASING REVENUES.—The term ‘new
13 leasing revenues’—

14 “(A) means amounts received by the
15 United States as bonuses, rents, and royalties
16 under leases for oil and gas, wind, tidal, or
17 other energy exploration, development, and pro-
18 duction on areas of the outer Continental Shelf
19 that are authorized to be made available for
20 leasing as a result of enactment of the Amer-
21 ican-Made Energy and Infrastructure Jobs Act
22 and leasing under that Act; and

23 “(B) does not include amounts received by
24 the United States under any lease of an area lo-
25 cated in the boundaries of the Central Gulf of

1 Mexico and Western Gulf of Mexico Outer Con-
2 tinental Shelf Planning Areas on the date of en-
3 actment of the American-Made Energy and In-
4 frastructure Jobs Act, including a lease issued
5 before, on, or after such date of enactment.”;
6 and

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

9 “(a) PAYMENT OF NEW LEASING REVENUES TO
10 COASTAL STATES.—

11 “(1) IN GENERAL.—Except as provided in para-
12 graph (2), of the amount of new leasing revenues re-
13 ceived by the United States each fiscal year, 37.5
14 percent shall be allocated and paid in accordance
15 with subsection (b) to coastal States that are af-
16 fected States with respect to the leases under which
17 those revenues are received by the United States.

18 “(2) PHASE-IN.—

19 “(A) IN GENERAL.—Except as provided in
20 subparagraph (B), paragraph (1) shall be ap-
21 plied—

22 “(i) with respect to new leasing reve-
23 nues under leases awarded under the first
24 leasing program under section 18(a) that
25 takes effect after the date of enactment of

1 the American-Made Energy and Infra-
2 structure Jobs Act, by substituting ‘12.5
3 percent’ for ‘37.5 percent’; and

4 “(ii) with respect to new leasing reve-
5 nues under leases awarded under the sec-
6 ond leasing program under section 18(a)
7 that takes effect after the date of enact-
8 ment of the American-Made Energy and
9 Infrastructure Jobs Act, by substituting
10 ‘25 percent’ for ‘37.5 percent’.

11 “(B) EXEMPTED LEASE SALES.—This
12 paragraph shall not apply with respect to any
13 lease issued under title II of the American-
14 Made Energy and Infrastructure Jobs Act.

15 “(b) ALLOCATION OF PAYMENTS.—

16 “(1) IN GENERAL.—The amount of new leasing
17 revenues received by the United States with respect
18 to a leased tract that are required to be paid to
19 coastal States in accordance with this subsection
20 each fiscal year shall be allocated among and paid
21 to coastal States that are within 200 miles of the
22 leased tract, in amounts that are inversely propor-
23 tional to the respective distances between the point
24 on the coastline of each such State that is closest to

1 the geographic center of the lease tract, as deter-
2 mined by the Secretary.

3 “(2) MINIMUM AND MAXIMUM ALLOCATION.—

4 The amount allocated to a coastal State under para-
5 graph (1) each fiscal year with respect to a leased
6 tract shall be—

7 “(A) in the case of a coastal State that is
8 the nearest State to the geographic center of
9 the leased tract, not less than 25 percent of the
10 total amounts allocated with respect to the
11 leased tract;

12 “(B) in the case of any other coastal State,
13 not less than 10 percent, and not more than 15
14 percent, of the total amounts allocated with re-
15 spect to the leased tract; and

16 “(C) in the case of a coastal State that is
17 the only coastal State within 200 miles of a
18 least tract, 100 percent of the total amounts al-
19 located with respect to the leased tract.

20 “(3) ADMINISTRATION.—Amounts allocated to
21 a coastal State under this subsection—

22 “(A) shall be available to the coastal State
23 without further appropriation;

24 “(B) shall remain available until expended;
25 and

1 “(C) shall be in addition to any other
2 amounts available to the coastal State under
3 this Act.

4 “(4) USE OF FUNDS.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraph (B), a coastal State may use
7 funds allocated and paid to it under this sub-
8 section for any purpose as determined by the
9 laws of that State.

10 “(B) RESTRICTION ON USE FOR MATCH-
11 ING.—Funds allocated and paid to a coastal
12 State under this subsection may not be used as
13 matching funds for any other Federal pro-
14 gram.”.

15 (b) LIMITATION ON APPLICATION.—This section and
16 the amendment made by this section shall not affect the
17 application of section 105 of the Gulf of Mexico Energy
18 Security Act of 2006 (title I of division C of Public Law
19 109–432; (43 U.S.C. 1331 note)), as in effect before the
20 enactment of this Act, with respect to revenues received
21 by the United States under oil and gas leases issued for
22 tracts located in the Western and Central Gulf of Mexico
23 Outer Continental Shelf Planning Areas, including such
24 leases issued on or after the date of the enactment of this
25 Act.

1 **SEC. 302. ACCELERATION OF PHASE II GOMESA REVENUE**

2 **SHARING.**

3 Section 105 of the of Mexico Energy Security Act of
4 2006 (43 U.S.C. 1331 note) is amended—

5 (1) in subsection (b)(1)—

6 (A) in the heading for paragraph (1), by
7 striking “2016” and inserting “2014”; and

8 (B) in subparagraph (A), by striking
9 “2016” and inserting “2014”;

10 (2) in subsection (b)(2)—

11 (A) in the heading for paragraph (1), by
12 striking “2017” and inserting “2015”; and

13 (B) in subparagraph (A), by striking
14 “2017” and inserting “2015”; and

15 (3) in subsection (f)(1), by inserting before the
16 period “, except that such amount shall increase by
17 \$250,000,000 upon the issuance of each 5-year oil
18 and gas leasing program under section 18 of the
19 Outer Continental Shelf Lands Act (43 U.S.C.
20 1344)”.

1 **TITLE IV—REORGANIZATION OF**
2 **MINERALS MANAGEMENT**
3 **AGENCIES OF THE DEPART-**
4 **MENT OF THE INTERIOR**

5 **SEC. 401. ESTABLISHMENT OF UNDER SECRETARY FOR EN-**
6 **ERGY, LANDS, AND MINERALS AND ASSIST-**
7 **ANT SECRETARY OF OCEAN ENERGY AND**
8 **SAFETY.**

9 There shall be in the Department of the Interior—

10 (1) an Under Secretary for Energy, Lands, and
11 Minerals, who shall—

12 (A) be appointed by the President, by and
13 with the advise and consent of the Senate;

14 (B) report to the Secretary of the Interior
15 or, if directed by the Secretary, to the Deputy
16 Secretary of the Interior;

17 (C) be paid at the rate payable for level III
18 of the Executive Schedule; and

19 (D) be responsible for—

20 (i) the safe and responsible develop-
21 ment of our energy and mineral resources
22 on Federal lands in appropriate accordance
23 with United States energy demands; and

24 (ii) ensuring multiple-use missions of
25 the Department of the Interior that pro-

1 mote the safe and sustained development
2 of energy and minerals resources on public
3 lands (as that term is defined in the Fed-
4 eral Land Policy and Management Act of
5 1976 (43 U.S.C. 1701 et seq.));

6 (2) an Assistant Secretary of Ocean Energy
7 and Safety, who shall—

8 (A) be appointed by the President, by and
9 with the advise and consent of the Senate;

10 (B) report to the Under Secretary for En-
11 ergy, Lands, and Minerals;

12 (C) be paid at the rate payable for level IV
13 of the Executive Schedule; and

14 (D) be responsible for ensuring safe and
15 efficient development of energy and minerals on
16 the Outer Continental Shelf of the United
17 States; and

18 (3) an Assistant Secretary of Land and Min-
19 erals Management, who shall—

20 (A) be appointed by the President, by and
21 with the advise and consent of the Senate;

22 (B) report to the Under Secretary for En-
23 ergy, Lands, and Minerals;

24 (C) be paid at the rate payable for level IV
25 of the Executive Schedule; and

1 (D) be responsible for ensuring safe and
2 efficient development of energy and minerals on
3 public lands and other Federal onshore lands
4 under the jurisdiction of the Department of the
5 Interior, including implementation of the Min-
6 eral Leasing Act (30 U.S.C. 181 et seq.) and
7 the Surface Mining Control and Reclamation
8 Act (30 U.S.C. 1201 et seq.) and administra-
9 tion of the Office of Surface Mining.

10 **SEC. 402. BUREAU OF OCEAN ENERGY.**

11 (a) ESTABLISHMENT.—There is established in the
12 Department of the Interior a Bureau of Ocean Energy (re-
13 ferred to in this section as the “Bureau”), which shall—

14 (1) be headed by a Director of Ocean Energy
15 (referred to in this section as the “Director”); and

16 (2) be administered under the direction of the
17 Assistant Secretary of Ocean Energy and Safety.

18 (b) DIRECTOR.—

19 (1) APPOINTMENT.—The Director shall be ap-
20 pointed by the Secretary of the Interior.

21 (2) COMPENSATION.—The Director shall be
22 compensated at the rate provided for level V of the
23 Executive Schedule under section 5316 of title 5,
24 United States Code.

25 (c) DUTIES.—

1 (1) IN GENERAL.—The Secretary of the Inte-
2 rior shall carry out through the Bureau all func-
3 tions, powers, and duties vested in the Secretary re-
4 lating to the administration of a comprehensive pro-
5 gram of offshore mineral and renewable energy re-
6 sources management.

7 (2) SPECIFIC AUTHORITIES.—The Director
8 shall promulgate and implement regulations—

9 (A) for the proper issuance of leases for
10 the exploration, development, and production of
11 nonrenewable and renewable energy and min-
12 eral resources on the Outer Continental Shelf;

13 (B) relating to resource identification, ac-
14 cess, evaluation, and utilization;

15 (C) for development of leasing plans, lease
16 sales, and issuance of leases for such resources;
17 and

18 (D) regarding issuance of environmental
19 impact statements related to leasing and post
20 leasing activities including exploration, develop-
21 ment, and production, and the use of third
22 party contracting for necessary environmental
23 analysis for the development of such resources.

1 (3) LIMITATION.—The Secretary shall not carry
2 out through the Bureau any function, power, or duty
3 that is—

4 (A) required by section 403 to be carried
5 out through the Ocean Energy Safety Service;
6 or

7 (B) required by section 404 to be carried
8 out through the Office of Natural Resources
9 Revenue.

10 (d) RESPONSIBILITIES OF LAND MANAGEMENT
11 AGENCIES.—Nothing in this section shall affect the au-
12 thorities of the Bureau of Land Management under the
13 Federal Land Policy and Management Act of 1976 (43
14 U.S.C. 1701 et seq.) or of the Forest Service under the
15 National Forest Management Act of 1976 (Public Law
16 94–588).

17 **SEC. 403. OCEAN ENERGY SAFETY SERVICE.**

18 (a) ESTABLISHMENT.—There is established in the
19 Department of the Interior an Ocean Energy Safety Serv-
20 ice (referred to in this section as the “Service”), which
21 shall—

22 (1) be headed by a Director of Energy Safety
23 (referred to in this section as the “Director”); and

24 (2) be administered under the direction of the
25 Assistant Secretary of Ocean Energy and Safety.

1 (b) DIRECTOR.—

2 (1) APPOINTMENT.—The Director shall be ap-
3 pointed by the Secretary of the Interior.

4 (2) COMPENSATION.—The Director shall be
5 compensated at the rate provided for level V of the
6 Executive Schedule under section 5316 of title 5,
7 United States Code.

8 (c) DUTIES.—

9 (1) IN GENERAL.—The Secretary of the Inte-
10 rior shall carry out through the Service all functions,
11 powers, and duties vested in the Secretary relating
12 to the administration of safety and environmental
13 enforcement activities related to offshore mineral
14 and renewable energy resources on the Outer Conti-
15 nental Shelf pursuant to the Outer Continental Shelf
16 Lands Act (43 U.S.C. 1331 et seq.) including the
17 authority to develop, promulgate, and enforce regu-
18 lations to ensure the safe and sound exploration, de-
19 velopment, and production of mineral and renewable
20 energy resources on the Outer Continental Shelf in
21 a timely fashion.

22 (2) SPECIFIC AUTHORITIES.—The Director
23 shall be responsible for all safety activities related to
24 exploration and development of renewable and min-

1 eral resources on the Outer Continental Shelf, in-
2 cluding—

3 (A) exploration, development, production,
4 and ongoing inspections of infrastructure;

5 (B) the suspending or prohibiting, on a
6 temporary basis, any operation or activity, in-
7 cluding production under leases held on the
8 Outer Continental Shelf, in accordance with
9 section 5(a)(1) of the Outer Continental Shelf
10 Lands Act (43 U.S.C. 1334(a)(1));

11 (C) cancelling any lease, permit, or right-
12 of-way on the Outer Continental Shelf, in ac-
13 cordance with section 5(a)(2) of the Outer Con-
14 tinental Shelf Lands Act (43 U.S.C.
15 1334(a)(2));

16 (D) compelling compliance with applicable
17 Federal laws and regulations relating to worker
18 safety and other matters;

19 (E) requiring comprehensive safety and en-
20 vironmental management programs for persons
21 engaged in activities connected with the explo-
22 ration, development, and production of mineral
23 or renewable energy resources;

24 (F) developing and implementing regula-
25 tions for Federal employees to carry out any in-

1 specification or investigation to ascertain compli-
2 ance with applicable regulations, including
3 health, safety, or environmental regulations;

4 (G) implementing the Offshore Technology
5 Research and Risk Assessment Program under
6 section 21 of the Outer Continental Shelf
7 Lands Act (43 U.S.C. 1347);

8 (H) summoning witnesses and directing
9 the production of evidence;

10 (I) levying fines and penalties and disquali-
11 fying operators;

12 (J) carrying out any safety, response, and
13 removal preparedness functions; and

14 (K) the processing of permits, exploration
15 plans, development plans.

16 (d) EMPLOYEES.—

17 (1) IN GENERAL.—The Secretary shall ensure
18 that the inspection force of the Bureau consists of
19 qualified, trained employees who meet qualification
20 requirements and adhere to the highest professional
21 and ethical standards.

22 (2) QUALIFICATIONS.—The qualification re-
23 quirements referred to in paragraph (1)—

24 (A) shall be determined by the Secretary,
25 subject to subparagraph (B); and

1 (B) shall include—

2 (i) three years of practical experience
3 in oil and gas exploration, development, or
4 production; or

5 (ii) a degree in an appropriate field of
6 engineering from an accredited institution
7 of higher learning.

8 (3) ASSIGNMENT.—In assigning oil and gas in-
9 spectors to the inspection and investigation of indi-
10 vidual operations, the Secretary shall give due con-
11 sideration to the extent possible to their previous ex-
12 perience in the particular type of oil and gas oper-
13 ation in which such inspections are to be made.

14 (4) BACKGROUND CHECKS.—The Director shall
15 require that an individual to be hired as an inspec-
16 tion officer undergo an employment investigation
17 (including a criminal history record check).

18 (5) LANGUAGE REQUIREMENTS.—Individuals
19 hired as inspectors must be able to read, speak, and
20 write English well enough to—

21 (A) carry out written and oral instructions
22 regarding the proper performance of inspection
23 duties; and

24 (B) write inspection reports and state-
25 ments and log entries in the English language.

1 (6) VETERANS PREFERENCE.—The Director
2 shall provide a preference for the hiring of an indi-
3 vidual as a inspection officer if the individual is a
4 member or former member of the Armed Forces and
5 is entitled, under statute, to retired, retirement, or
6 retainer pay on account of service as a member of
7 the Armed Forces.

8 (7) ANNUAL PROFICIENCY REVIEW.—

9 (A) ANNUAL PROFICIENCY REVIEW.—The
10 Director shall provide that an annual evaluation
11 of each individual assigned inspection duties is
12 conducted and documented.

13 (B) CONTINUATION OF EMPLOYMENT.—An
14 individual employed as an inspector may not
15 continue to be employed in that capacity unless
16 the evaluation demonstrates that the indi-
17 vidual—

18 (i) continues to meet all qualifications
19 and standards;

20 (ii) has a satisfactory record of per-
21 formance and attention to duty based on
22 the standards and requirements in the in-
23 spection program; and

24 (iii) demonstrates the current knowl-
25 edge and skills necessary to courteously,

1 vigilantly, and effectively perform inspec-
2 tion functions.

3 (8) LIMITATION ON RIGHT TO STRIKE.—Any
4 individual that conducts permitting or inspections
5 under this section may not participate in a strike, or
6 assert the right to strike.

7 (9) PERSONNEL AUTHORITY.—Notwithstanding
8 any other provision of law, the Director may employ,
9 appoint, discipline and terminate for cause, and fix
10 the compensation, terms, and conditions of employ-
11 ment of Federal service for individuals as the em-
12 ployees of the Service in order to restore and main-
13 tain the trust of the people of the United States in
14 the accountability of the management of our Na-
15 tion’s energy safety program.

16 (10) TRAINING ACADEMY.—

17 (A) IN GENERAL.—The Secretary shall es-
18 tablish and maintain a National Offshore En-
19 ergy Safety Academy (referred to in this para-
20 graph as the “Academy”) as an agency of the
21 Ocean Energy Safety Service.

22 (B) FUNCTIONS OF ACADEMY.—The Sec-
23 retary, through the Academy, shall be respon-
24 sible for—

1 (i) the initial and continued training
2 of both newly hired and experienced off-
3 shore oil and gas inspectors in all aspects
4 of health, safety, environmental, and oper-
5 ational inspections;

6 (ii) the training of technical support
7 personnel of the Bureau;

8 (iii) any other training programs for
9 offshore oil and gas inspectors, Bureau
10 personnel, Department personnel, or other
11 persons as the Secretary shall designate;
12 and

13 (iv) certification of the successful
14 completion of training programs for newly
15 hired and experienced offshore oil and gas
16 inspectors.

17 (C) COOPERATIVE AGREEMENTS.—

18 (i) IN GENERAL.—In performing func-
19 tions under this paragraph, and subject to
20 clause (ii), the Secretary may enter into
21 cooperative educational and training agree-
22 ments with educational institutions, related
23 Federal academies, other Federal agencies,
24 State governments, safety training firms,

1 and oil and gas operators and related in-
2 dustries.

3 (ii) TRAINING REQUIREMENT.—Such
4 training shall be conducted by the Acad-
5 emy in accordance with curriculum needs
6 and assignment of instructional personnel
7 established by the Secretary.

8 (11) USE OF DEPARTMENT PERSONNEL.—In
9 performing functions under this subsection, the Sec-
10 retary shall use, to the extent practicable, the facili-
11 ties and personnel of the Department of the Interior.
12 The Secretary may appoint or assign to the Acad-
13 emy such officers and employees as the Secretary
14 considers necessary for the performance of the du-
15 ties and functions of the Academy.

16 (12) ADDITIONAL TRAINING PROGRAMS.—

17 (A) IN GENERAL.—The Secretary shall
18 work with appropriate educational institutions,
19 operators, and representatives of oil and gas
20 workers to develop and maintain adequate pro-
21 grams with educational institutions and oil and
22 gas operators that are designed—

23 (i) to enable persons to qualify for po-
24 sitions in the administration of this Act;
25 and

1 (ii) to provide for the continuing edu-
2 cation of inspectors or other appropriate
3 Department of the Interior personnel.

4 (B) FINANCIAL AND TECHNICAL ASSIST-
5 ANCE.—The Secretary may provide financial
6 and technical assistance to educational institu-
7 tions in carrying out this paragraph.

8 (e) LIMITATION.—The Secretary shall not carry out
9 through the Service any function, power, or duty that is—

10 (1) required by section 402 to be carried out
11 through Bureau of Ocean Energy; or

12 (2) required by section 404 to be carried out
13 through the Office of Natural Resources Revenue.

14 **SEC. 404. OFFICE OF NATURAL RESOURCES REVENUE.**

15 (a) ESTABLISHMENT.—There is established in the
16 Department of the Interior an Office of Natural Resources
17 Revenue (referred to in this section as the “Office”) to
18 be headed by a Director of Natural Resources Revenue
19 (referred to in this section as the “Director”).

20 (b) APPOINTMENT AND COMPENSATION.—

21 (1) IN GENERAL.—The Director shall be ap-
22 pointed by the Secretary of the Interior.

23 (2) COMPENSATION.—The Director shall be
24 compensated at the rate provided for Level V of the

1 Executive Schedule under section 5316 of title 5,
2 United States Code.

3 (c) DUTIES.—

4 (1) IN GENERAL.—The Secretary of the Inte-
5 rior shall carry out, through the Office, all functions,
6 powers, and duties vested in the Secretary and relat-
7 ing to the administration of offshore royalty and rev-
8 enue management functions.

9 (2) SPECIFIC AUTHORITIES.—The Secretary
10 shall carry out, through the Office, all functions,
11 powers, and duties previously assigned to the Min-
12 erals Management Service (including the authority
13 to develop, promulgate, and enforce regulations) re-
14 garding offshore royalty and revenue collection; roy-
15 alty and revenue distribution; auditing and compli-
16 ance; investigation and enforcement of royalty and
17 revenue regulations; and asset management for on-
18 shore and offshore activities.

19 (d) LIMITATION.—The Secretary shall not carry out
20 through the Office any function, power, or duty that is—

21 (1) required by section 402 to be carried out
22 through Bureau of Ocean Energy; or

23 (2) required by section 403 to be carried out
24 through the Ocean Energy Safety Service.

1 **SEC. 405. ETHICS AND DRUG TESTING.**

2 (a) CERTIFICATION.—The Secretary of the Interior
3 shall certify annually that all Department of the Interior
4 officers and employees having regular, direct contact with
5 lessees, contractors, concessionaires, and other businesses
6 interested before the Government as a function of their
7 official duties, or conducting investigations, issuing per-
8 mits, or responsible for oversight of energy programs, are
9 in full compliance with all Federal employee ethics laws
10 and regulations under the Ethics in Government Act of
11 1978 (5 U.S.C. App.) and part 2635 of title 5, Code of
12 Federal Regulations, and all guidance issued under sub-
13 section (c).

14 (b) DRUG TESTING.—The Secretary shall conduct a
15 random drug testing program of all Department of the
16 Interior personnel referred to in subsection (a).

17 (c) GUIDANCE.—Not later than 90 days after the
18 date of enactment of this Act, the Secretary shall issue
19 supplementary ethics and drug testing guidance for the
20 employees for which certification is required under sub-
21 section (a). The Secretary shall update the supplementary
22 ethics guidance not less than once every 3 years there-
23 after.

1 **SEC. 406. ABOLISHMENT OF MINERALS MANAGEMENT**
2 **SERVICE.**

3 (a) **ABOLISHMENT.**—The Minerals Management
4 Service is abolished.

5 (b) **COMPLETED ADMINISTRATIVE ACTIONS.**—

6 (1) **IN GENERAL.**—Completed administrative
7 actions of the Minerals Management Service shall
8 not be affected by the enactment of this Act, but
9 shall continue in effect according to their terms until
10 amended, modified, superseded, terminated, set
11 aside, or revoked in accordance with law by an offi-
12 cer of the United States or a court of competent ju-
13 risdiction, or by operation of law.

14 (2) **COMPLETED ADMINISTRATIVE ACTION DE-**
15 **FINED.**—For purposes of paragraph (1), the term
16 “completed administrative action” includes orders,
17 determinations, memoranda of understanding,
18 memoranda of agreements, rules, regulations, per-
19 sonnel actions, permits, agreements, grants, con-
20 tracts, certificates, licenses, registrations, and privi-
21 leges.

22 (c) **PENDING PROCEEDINGS.**—Subject to the author-
23 ity of the Secretary of the Interior and the officers of the
24 Department of the Interior under this Act—

25 (1) pending proceedings in the Minerals Man-
26 agement Service, including notices of proposed rule-

1 making, and applications for licenses, permits, cer-
2 tificates, grants, and financial assistance, shall con-
3 tinue, notwithstanding the enactment of this Act or
4 the vesting of functions of the Service in another
5 agency, unless discontinued or modified under the
6 same terms and conditions and to the same extent
7 that such discontinuance or modification could have
8 occurred if this Act had not been enacted; and

9 (2) orders issued in such proceedings, and ap-
10 peals therefrom, and payments made pursuant to
11 such orders, shall issue in the same manner and on
12 the same terms as if this Act had not been enacted,
13 and any such orders shall continue in effect until
14 amended, modified, superseded, terminated, set
15 aside, or revoked by an officer of the United States
16 or a court of competent jurisdiction, or by operation
17 of law.

18 (d) PENDING CIVIL ACTIONS.—Subject to the au-
19 thority of the Secretary of the Interior or any officer of
20 the Department of the Interior under this Act, pending
21 civil actions shall continue notwithstanding the enactment
22 of this Act, and in such civil actions, proceedings shall be
23 had, appeals taken, and judgments rendered and enforced
24 in the same manner and with the same effect as if such
25 enactment had not occurred.

1 (e) REFERENCES.—References relating to the Min-
2 erals Management Service in statutes, Executive orders,
3 rules, regulations, directives, or delegations of authority
4 that precede the effective date of this Act are deemed to
5 refer, as appropriate, to the Department, to its officers,
6 employees, or agents, or to its corresponding organiza-
7 tional units or functions. Statutory reporting requirements
8 that applied in relation to the Minerals Management Serv-
9 ice immediately before the effective date of this Act shall
10 continue to apply.

11 **SEC. 407. CONFORMING AMENDMENTS TO EXECUTIVE**
12 **SCHEDULE PAY RATES.**

13 (a) UNDER SECRETARY FOR ENERGY, LANDS, AND
14 MINERALS.—Section 5314 of title 5, United States Code,
15 is amended by inserting after the item relating to “Under
16 Secretaries of the Treasury (3)” the following:

17 “Under Secretary for Energy, Lands, and Min-
18 erals, Department of the Interior.”.

19 (b) ASSISTANT SECRETARIES.—Section 5315 of title
20 5, United States Code, is amended by striking “Assistant
21 Secretaries, Department of the Interior (6)” and inserting
22 the following:

23 “Assistant Secretaries, Department of the Inte-
24 rior (7).”.

1 (c) DIRECTORS.—Section 5316 of title 5, United
2 States Code, is amended by striking “Director, Bureau of
3 Mines, Department of the Interior.” and inserting the fol-
4 lowing new items:

5 “Director, Bureau of Ocean Energy, Depart-
6 ment of the Interior.

7 “Director, Ocean Energy Safety Service, De-
8 partment of the Interior.

9 “Director, Office of Natural Resources Rev-
10 enue, Department of the Interior.”.

11 **SEC. 408. OUTER CONTINENTAL SHELF ENERGY SAFETY**
12 **ADVISORY BOARD.**

13 (a) ESTABLISHMENT.—The Secretary of the Interior
14 shall establish, under the Federal Advisory Committee
15 Act, an Outer Continental Shelf Energy Safety Advisory
16 Board (referred to in this section as the “Board”)—

17 (1) to provide the Secretary and the Directors
18 established by this Act with independent scientific
19 and technical advice on safe, responsible, and timely
20 mineral and renewable energy exploration, develop-
21 ment, and production activities; and

22 (2) to review operations of the National Off-
23 shore Energy Health and Safety Academy estab-
24 lished under section 403(d), including submitting to

1 the Secretary recommendations of curriculum to en-
2 sure training scientific and technical advancements.

3 (b) MEMBERSHIP.—

4 (1) SIZE.—The Board shall consist of not more
5 than 11 members, who—

6 (A) shall be appointed by the Secretary
7 based on their expertise in oil and gas drilling,
8 well design, operations, well containment and
9 oil spill response; and

10 (B) must have significant scientific, engi-
11 neering, management, and other credentials and
12 a history of working in the field related to safe
13 energy exploration, development, and produc-
14 tion activities.

15 (2) CONSULTATION AND NOMINATIONS.—The
16 Secretary shall consult with the National Academy
17 of Sciences and the National Academy of Engineer-
18 ing to identify potential candidates for the Board
19 and shall take nominations from the public.

20 (3) TERM.—The Secretary shall appoint Board
21 members to staggered terms of not more than 4
22 years, and shall not appoint a member for more
23 than 2 consecutive terms.

1 (4) BALANCE.—In appointing members to the
2 Board, the Secretary shall ensure a balanced rep-
3 resentation of industry and research interests.

4 (c) CHAIR.—The Secretary shall appoint the Chair
5 for the Board from among its members.

6 (d) MEETINGS.—The Board shall meet not less than
7 3 times per year and shall host, at least once per year,
8 a public forum to review and assess the overall energy
9 safety performance of Outer Continental Shelf mineral
10 and renewable energy resource activities.

11 (e) OFFSHORE DRILLING SAFETY ASSESSMENTS
12 AND RECOMMENDATIONS.—As part of its duties under
13 this section, the Board shall, by not later than 180 days
14 after the date of enactment of this section and every 5
15 years thereafter, submit to the Secretary a report that—

16 (1) assesses offshore oil and gas well control
17 technologies, practices, voluntary standards, and
18 regulations in the United States and elsewhere; and

19 (2) as appropriate, recommends modifications
20 to the regulations issued under this Act to ensure
21 adequate protection of safety and the environment,
22 including recommendations on how to reduce regula-
23 tions and administrative actions that are duplicative
24 or unnecessary.

1 (f) REPORTS.—Reports of the Board shall be sub-
2 mitted by the Board to the Committee on Natural Re-
3 sources of the House or Representatives and the Com-
4 mittee on Energy and Natural Resources of the Senate
5 and made available to the public in electronically acces-
6 sible form.

7 (g) TRAVEL EXPENSES.—Members of the Board,
8 other than full-time employees of the Federal Government,
9 while attending meeting of the Board or while otherwise
10 serving at the request of the Secretary or the Director
11 while serving away from their homes or regular places of
12 business, may be allowed travel expenses, including per
13 diem in lieu of subsistence, as authorized by section 5703
14 of title 5, United States Code, for individuals in the Gov-
15 ernment serving without pay.

16 **SEC. 409. OUTER CONTINENTAL SHELF INSPECTION FEES.**

17 Section 22 of the Outer Continental Shelf Lands Act
18 (43 U.S.C. 1348) is amended by adding at the end of the
19 section the following:

20 “(g) INSPECTION FEES.—

21 “(1) ESTABLISHMENT.—The Secretary of the
22 Interior shall collect from the operators of facilities
23 subject to inspection under subsection (c) non-re-
24 fundable fees for such inspections—

1 “(A) at an aggregate level equal to the
2 amount necessary to offset the annual expenses
3 of inspections of outer Continental Shelf facili-
4 ties (including mobile offshore drilling units) by
5 the Department of the Interior; and

6 “(B) using a schedule that reflects the dif-
7 ferences in complexity among the classes of fa-
8 cilities to be inspected.

9 “(2) OCEAN ENERGY SAFETY FUND.—There is
10 established in the Treasury a fund, to be known as
11 the ‘Ocean Energy Enforcement Fund’ (referred to
12 in this subsection as the ‘Fund’), into which shall be
13 deposited all amounts collected as fees under para-
14 graph (1) and which shall be available as provided
15 under paragraph (3).

16 “(3) AVAILABILITY OF FEES.—

17 “(A) IN GENERAL.—Notwithstanding sec-
18 tion 3302 of title 31, United States Code, all
19 amounts deposited in the Fund—

20 “(i) shall be credited as offsetting col-
21 lections;

22 “(ii) shall be available for expenditure
23 for purposes of carrying out inspections of
24 outer Continental Shelf facilities (including
25 mobile offshore drilling units) and the ad-

1 ministration of the inspection program
2 under this section;

3 “(iii) shall be available only to the ex-
4 tent provided for in advance in an appro-
5 priations Act; and

6 “(iv) shall remain available until ex-
7 pended.

8 “(B) USE FOR FIELD OFFICES.—Not less
9 than 75 percent of amounts in the Fund may
10 be appropriated for use only for the respective
11 Department of the Interior field offices where
12 the amounts were originally assessed as fees.

13 “(4) INITIAL FEES.—Fees shall be established
14 under this subsection for the fiscal year in which
15 this subsection takes effect and the subsequent 10
16 years, and shall not be raised without advise and
17 consent of the Congress, except as determined by the
18 Secretary to be appropriate as an adjustment equal
19 to the percentage by which the Consumer Price
20 Index for the month of June of the calendar year
21 preceding the adjustment exceeds the Consumer
22 Price Index for the month of June of the calendar
23 year in which the claim was determined or last ad-
24 justed.

1 “(5) ANNUAL FEES.—Annual fees shall be col-
2 lected under this subsection for facilities that are
3 above the waterline, excluding drilling rigs, and are
4 in place at the start of the fiscal year. Fees for each
5 fiscal year in the period of fiscal years 2013 through
6 2022 shall be—

7 “(A) \$10,500 for facilities with no wells,
8 but with processing equipment or gathering
9 lines;

10 “(B) \$17,000 for facilities with 1 to 10
11 wells, with any combination of active or inactive
12 wells; and

13 “(C) \$31,500 for facilities with more than
14 10 wells, with any combination of active or in-
15 active wells.

16 “(6) FEES FOR DRILLING RIGS.—Fees for drill-
17 ing rigs shall be assessed under this subsection for
18 all inspections completed in fiscal years 2013
19 through 2022. Fees for fiscal year 2013 shall be:

20 “(A) \$30,500 per inspection for rigs oper-
21 ating in water depths of 1,000 feet or more;
22 and

23 “(B) \$16,700 per inspection for rigs oper-
24 ating in water depths of less than 1,000 feet.

1 “(7) BILLING.—The Secretary shall bill des-
2 ignated operators under paragraph (5) within 60
3 days after the date of the inspection, with payment
4 required within 30 days of billing. The Secretary
5 shall bill designated operators under paragraph (6)
6 within 30 days of the end of the month in which the
7 inspection occurred, with payment required within
8 30 days after billing.

9 “(8) SUNSET.—No fee may be collected under
10 this subsection for any fiscal year after fiscal year
11 2022.

12 “(9) ANNUAL REPORTS.—

13 “(A) IN GENERAL.—Not later than 60
14 days after the end of each fiscal year beginning
15 with fiscal year 2013, the Secretary shall sub-
16 mit to the Committee on Energy and Natural
17 Resources of the Senate and the Committee on
18 Natural Resources of the House of Representa-
19 tives a report on the operation of the Fund dur-
20 ing the fiscal year.

21 “(B) CONTENTS.—Each report shall in-
22 clude, for the fiscal year covered by the report,
23 the following:

24 “(i) A statement of the amounts de-
25 posited into the Fund.

1 “(ii) A description of the expenditures
2 made from the Fund for the fiscal year, in-
3 cluding the purpose of the expenditures
4 and the additional hiring of personnel.

5 “(iii) A statement of the balance re-
6 maining in the Fund at the end of the fis-
7 cal year.

8 “(iv) An accounting of pace of permit
9 approvals.

10 “(v) If fee increases are proposed
11 after the initial 10-year period referred to
12 in paragraph (5), a proper accounting of
13 the potential adverse economic impacts
14 such fee increases will have on offshore
15 economic activity and overall production,
16 conducted by the Secretary.

17 “(vi) Recommendations to increase
18 the efficacy and efficiency of offshore in-
19 spections.

20 “(vii) Any corrective actions levied
21 upon offshore inspectors as a result of any
22 form of misconduct.”.

1 **TITLE V—UNITED STATES**
2 **TERRITORIES**

3 **SEC. 501. APPLICATION OF OUTER CONTINENTAL SHELF**
4 **LANDS ACT WITH RESPECT TO TERRITORIES**
5 **OF THE UNITED STATES.**

6 Section 2 of the Outer Continental Shelf Lands Act
7 (43 U.S.C. 1331) is amended—

8 (1) in paragraph (a), by inserting after “con-
9 trol” the following: “or lying within the United
10 States exclusive economic zone and the Continental
11 Shelf adjacent to any territory of the United
12 States”;

13 (2) in paragraph (p), by striking “and” after
14 the semicolon at the end;

15 (3) in paragraph (q), by striking the period at
16 the end and inserting “; and”; and

17 (4) by adding at the end the following:

18 “(r) The term ‘State’ includes each territory of the
19 United States.”.

1 **TITLE VI—INFRASTRUCTURE**
2 **REVENUE BONDS**

3 **SEC. 601. LEVERAGING INFRASTRUCTURE TRUST ACCOUNT**
4 **WITH INFRASTRUCTURE REVENUE BONDS.**

5 (a) IN GENERAL.—Subchapter I of chapter 31 of
6 subtitle III of title 31, United States Code, is amended
7 by inserting after section 3102 the following new section:

8 **“§ 3102A. Infrastructure revenue bonds**

9 “(a) IN GENERAL.—With the approval of the Presi-
10 dent, the Secretary of the Treasury may borrow for high-
11 way and transportation project expenditures, and water
12 infrastructure expenditures, authorized by law after the
13 date of the enactment of this section and may issue inter-
14 est-bearing bonds for the amounts borrowed and may buy,
15 redeem, and make refunds under section 3111 of this title.
16 The Secretary may prescribe conditions under section
17 3121 of this title, except that such bonds shall mature
18 20 years from the date of issue.

19 “(b) FINANCED WITH INFRASTRUCTURE TRUST AC-
20 COUNT.—Such obligations, and the interest thereon, are
21 not guaranteed by the United States and shall be paid
22 solely from amounts deposited in the Infrastructure Trust
23 Account established by paragraph (6)(A)(ii) of section
24 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C.
25 1337(g)).

1 “(c) LIMITATION.—The aggregate face amount of ob-
2 ligations issued during a calendar year under subsection
3 (a) shall not exceed—

4 “(1) \$25,000,000,000 for each of calendar
5 years 2014 through 2019; and

6 “(2) \$0 for each calendar year thereafter.

7 “(d) REDEMPTION.—The Government may redeem
8 any part of a series of bonds before maturity by giving
9 at least 4 months’ notice.”.

10 (b) CLERICAL AMENDMENT.—The table of sections
11 subchapter I of chapter 31 of subtitle III of title 31,
12 United States Code, is amended by inserting after section
13 3102 the following new item:

“3102A. Infrastructure revenue bonds.”.

14 **SEC. 602. NINETY-FIVE PERCENT OF BOND PROCEEDS FOR**
15 **HIGHWAY TRUST FUND.**

16 (a) IN GENERAL.—Subsection (b) of section 9503 of
17 the Internal Revenue Code of 1986 is amended by adding
18 at the end the following new paragraph:

19 “(7) INFRASTRUCTURE REVENUE BOND PRO-
20 CEEDS.—There are hereby appropriated to the
21 Highway Trust Fund amounts equivalent to 95 per-
22 cent of any proceeds from the issuance of infrastruc-
23 ture revenue bonds under section 3102A of title 31,
24 United States Code.”.

1 (b) CLERICAL AMENDMENT.—The heading for sub-
2 section (b) of section 9503 of such Code is amended by
3 striking “TAXES AND PENALTIES” and inserting “TAXES,
4 PENALTIES, AND BOND PROCEEDS”.

5 **SEC. 603. FIVE PERCENT OF BOND PROCEEDS FOR STATE**
6 **REVOLVING LOAN FUNDS FOR WASTEWATER**
7 **TREATMENT FACILITIES AND DRINKING**
8 **WATER FACILITIES.**

9 (a) WASTEWATER TREATMENT FACILITIES.—
10 Amounts equivalent to 2.5 percent of any proceeds from
11 the issuance of infrastructure revenue bonds under section
12 3102A of title 31, United States Code, shall be made
13 available to the Administrator of the Environmental Pro-
14 tection Agency for making capitalization grants to eligible
15 States under title VI of the Federal Water Pollution Con-
16 trol Act (33 U.S.C. 1381 et seq.).

17 (b) DRINKING WATER FACILITIES.—Amounts equiv-
18 alent to 2.5 percent of any proceeds from the issuance of
19 infrastructure revenue bonds under section 3102A of title
20 31, United States Code, shall be made available to the
21 Administrator of the Environmental Protection Agency for
22 making capitalization grants to eligible States under sec-
23 tion 1452 of the Safe Drinking Water Act (42 U.S.C.
24 300j–12).

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