



Committee on Natural Resources

Rep. Nick J. Rahall, II - Chairman

1324 Longworth House Office Building - Washington DC, 20515 - <http://resourcescommittee.house.gov>

The “Comprehensive American Energy Security and Consumer Protection Act” (H.R. 6899)

Summary of House Committee on Natural Resources Provisions

September 16, 2008

Outer Continental Shelf Oil and Gas

- Opens the Atlantic and Pacific Outer Continental Shelf to Federal oil and gas leasing from 50 miles to 200 miles offshore.
- Allows leasing between 50 and 100 miles in Federal waters offshore only if States ‘opt-in’ to allow leasing off their coastlines by passing a law or referendum specifically authorizing oil and gas development. There is no ‘opt-in’ for leasing taking place in Federal waters 100 to 200 miles offshore. Requires the Secretary of the Interior to consult with adjacent and neighboring States prior to leasing.
- Maintains the current law prohibition against oil and gas leasing in an area of the Eastern Gulf of Mexico until 2022.
- Protects national marine monuments, national marine sanctuaries and the historic Georges Bank fishery through permanent withdrawal from oil and gas leasing.
- Requires all leasing activities be conducted so as to protect the coastal, marine and human environment of the State coastal zones and OCS.
- Restates existing law requirements providing for the U.S. (through the Secretary of Defense) to designate national defense areas. Leasing must also take place in accordance with a Memorandum of Agreement between the Defense and Interior Departments as per existing law.
- Urges the use of American made products in OCS development, and promotes the employment of American citizens in the development of OCS oil and gas resources.
- Requires the establishment of goals to ensure equal opportunity to bid on offshore leases for qualified small, women-owned, and minority-owned exploration and production companies.

Diligent Development

- Clarifies that offshore and onshore Federal oil and gas leases must be diligently developed and directs the Interior Department to promulgate regulations setting forth benchmarks to ensure leases are developed and brought into production expeditiously.
- Requires the Secretary of the Interior to provide to Congress annual resource estimates of the oil and gas resources located in Federal lands and waters.

98/99 Leases; Conservation of Resources Fee and Energy Reserve Fund

- Restates provisions of the “100 Hours” H.R. 6 relating to “royalty-free” OCS leases issued in 1998-1998 under the Deep Water Royalty Relief Act, setting explicit price thresholds and directing lessees to either renegotiate the terms of their 98/99 leases and pay withheld royalties or pay a conservation of resources fee.
- Prohibits new leases to lessees that refuse to either renegotiate or pay conservation of resources fee.
- Requires all other lessees in the Gulf of Mexico holding leases that are not producing oil and gas to also pay a conservation of resources fee.
- Deposits all funds collected through this subtitle in a newly-created Strategic Energy Efficiency and Renewable Reserve to finance the development and use of renewable and alternative energy technologies, provide increased assistance for low income home energy and weatherization programs and to advance carbon capture and storage.

Accountability: Royalty-in-Kind, Accounting and Ethics Reforms

- Amends existing law to require that in addition to assuring that the Royalty-in-Kind program be implemented in a manner consistent with the fiduciary duties of the Interior Secretary of on behalf of the American people.
- Requires the Secretary to take all steps necessary to ensure that Federal oil and gas lease holders make prompt, transparent and accurate royalty payments.
- Establishes a permanent and total gift ban for employees of the federal royalty program; requires the Secretary to publish a Code of Ethics for Minerals Management Service employees and to hold supplemental ethics training for these employees. Directs the Secretary to initiate a random drug testing program for these employees. Imposes fines and penalties for ethical lapses.

Royalty Reform

- Amends federal law relating to oil and gas royalty collection to improve performance of federal auditors and lessees.

National Petroleum Reserve-Alaska (NPR-A)

- Requires the Secretary to hold annual lease sales in NPR-A.
- Encourages the Secretary to facilitate pipeline development from within NPR-A to the Trans-Alaska pipeline.
- Encourages the President to facilitate development of the Trans-Alaska gas pipeline.
- Bans the export of Alaska oil and gas.
- Requires pipeline construction to be conducted under project labor agreements.

Oil Shale

- Allows federal oil shale reserves in Utah and Colorado whose development has been the subject of a moratoria to be leased if the State enacts a law approving of leasing.