

[STAFF DISCUSSION DRAFT]111TH CONGRESS
1ST SESSION**H. R.** _____

To provide greater efficiencies, transparency, returns, and accountability in the administration of Federal mineral and energy resources by consolidating administration of various Federal energy minerals management and leasing programs into one entity to be known as the Office of Federal Energy and Minerals Leasing of the Department of the Interior, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To provide greater efficiencies, transparency, returns, and accountability in the administration of Federal mineral and energy resources by consolidating administration of various Federal energy minerals management and leasing programs into one entity to be known as the Office of Federal Energy and Minerals Leasing of the Department of the Interior, 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; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Federal Lands and Resources Energy Development Act
4 of 2009”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

**TITLE I—CONSOLIDATION OF DEPARTMENT OF THE INTERIOR
ENERGY AND MINERALS LEASING PROGRAMS**

Sec. 101. Establishment of the Office of Federal Energy and Minerals Leasing.

Sec. 102. Officers and employees.

Sec. 103. Ethics.

**TITLE II—OUTER CONTINENTAL SHELF COORDINATION AND
PLANNING**

Sec. 201. Regional Outer Continental Shelf coordination.

Sec. 202. Regional Outer Continental Shelf Councils.

Sec. 203. Regional Outer Continental Shelf strategic plans.

Sec. 204. Regulations.

Sec. 205. Ocean and Coastal Trust Fund.

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**TITLE III—ONSHORE ENERGY SITING AND DEVELOPMENT
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Sec. 302. Energy Siting and Development Teams.

Sec. 303. Strategic Plans.

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Sec. 305. Other authority.

Sec. 306. Waiver.

TITLE IV—NEW ONSHORE LEASING AUTHORITY

Subtitle A—Solar and Wind Leasing Program

Sec. 401. Authority to issue commercial leases for wind and solar projects on
Federal lands.

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Subtitle B—Uranium Leasing

Sec. 411. Federal lands uranium leasing.

TITLE V—OIL AND GAS ROYALTY REFORM

- Sec. 501. Fines and penalties.
- Sec. 502. Amendments to definitions.
- Sec. 503. Interest.
- Sec. 504. Obligation period.
- Sec. 505. Notice regarding tolling agreements and subpoenas.
- Sec. 506. Liability for royalty payments.
- Sec. 507. Requirement to provide notification of compliance review.
- Sec. 508. Limitation on adjustments after audit.
- Sec. 509. Pilot project for automatic transmission of production data.
- Sec. 510. Requirement to specify appropriations requested for the State and Tribal Royalty Audit Committee.
- Sec. 511. Reservation for Inspector General of funds arising from activities of Office of the Inspector General.
- Sec. 512. Penalty for late or incorrect reporting of data.
- Sec. 513. Required recordkeeping.
- Sec. 514. Limitation on royalty in-kind program.

TITLE VI—ONSHORE REFORMS

Subtitle A—Onshore Energy Leasing Program

- Sec. 601. Onshore Energy Leasing Program.

Subtitle B—Other Reforms

- Sec. 611. Diligent development.
- Sec. 612. Lease terms.
- Sec. 613. Reporting requirements.
- Sec. 614. Additional notice requirements.
- Sec. 615. Oil and gas leasing system.
- Sec. 616. Electronic reporting.
- Sec. 617. Best management practices.

TITLE VII—OFFSHORE REFORMS

Subtitle A—Leases, Easements, or Rights-of-Way for Alternative Energy

- Sec. 701. Amendments to Outer Continental Shelf Lands Act.

Subtitle B—Other Reforms

- Sec. 711. Transfer of authority over offshore thermal energy conversion licensing.
- Sec. 712. Discharges from offshore operations.

TITLE VIII—MISCELLANEOUS PROVISIONS

- Sec. 801. Repeal of certain taxpayer subsidized royalty relief for the oil and gas industry.
- Sec. 802. Production incentive fee.

1 **SEC. 2. DEFINITIONS.**

2 For the purposes of this Act:

1 (1) ALTERNATIVE ENERGY.—The term “alter-
2 native energy” means electricity generated by a re-
3 newable energy resource.

4 (2) COASTAL STATE.—The term “coastal state”
5 has the meaning given the term in section 304 of the
6 Coastal Zone Management Act of 1972 (16 U.S.C.
7 1453).

8 (3) DIRECTOR.—The term “Director” means
9 the Director of the Office, except as otherwise pro-
10 vided in this Act.

11 (4) ECOSYSTEM-BASED MANAGEMENT.—The
12 term “ecosystem-based management” means an inte-
13 grated approach to management that—

14 (A) considers the entire ecosystem, includ-
15 ing humans, and accounts for interactions
16 among the ecosystem, the range of activities af-
17 fecting the ecosystem, and the management of
18 such activities;

19 (B) aims to maintain ecosystems in a
20 healthy, productive, sustainable, and resilient
21 condition so that they can provide the services
22 humans want and need;

23 (C) emphasizes the protection of ecosystem
24 structure, function, patterns, and important
25 processes;

1 (D) considers the impacts, including cumu-
2 lative impacts, of the range of activities affect-
3 ing an ecosystem that fall within geographical
4 boundaries of the ecosystem;

5 (E) explicitly accounts for the inter-
6 connectedness within an ecosystem, such as
7 food webs, and acknowledges the interconnect-
8 edness among systems, such as between air,
9 land, and sea; and

10 (F) integrates ecological, social, economic,
11 cultural, and institutional perspectives, recog-
12 nizing their strong interdependences.

13 (5) MINERAL.—The term “mineral” includes
14 oil, gas, sulphur, geopressured-geothermal and asso-
15 ciated resources, and all other minerals that are sub-
16 ject to disposition under the first section of the Min-
17 eral Leasing Act (30 U.S.C. 181).

18 (6) NONRENEWABLE ENERGY RESOURCE.—The
19 term “nonrenewable energy resource” means oil and
20 natural gas.

21 (7) OFFICE.—The term “Office” means the Of-
22 fice of Federal Energy and Minerals Leasing estab-
23 lished under this Act.

24 (8) OUTER CONTINENTAL SHELF.—The term
25 “Outer Continental Shelf” has the meaning that the

1 term “outer Continental Shelf” has in the Outer
2 Continental Shelf Lands Act (43 U.S.C. 1331 et
3 seq.).

4 (9) PUBLIC LAND STATE.—The term “public
5 land State” means—

6 (A) each of the eleven contiguous Western
7 States (as that term is defined in section 103
8 of the Federal Land Policy and Management
9 Act of 1976 (43 U.S.C. 1702)); and

10 (B) Alaska.

11 (10) REGIONAL OCEAN PARTNERSHIP.—The
12 term “Regional Ocean Partnership” means vol-
13 untary, collaborative management initiatives devel-
14 oped and entered into by the governors of two or
15 more coastal states to implement policies and activi-
16 ties identified under special area management plans
17 or other agreements developed and approved by the
18 governors through authority granted to them under
19 the Coastal Zone Management Act (16 U.S.C. 1451
20 et seq.).

21 (11) RENEWABLE ENERGY RESOURCE.—The
22 term “renewable energy resource” means each of the
23 following:

24 (A) Wind energy.

25 (B) Solar energy.

1 (C) Geothermal energy.

2 (D) Biomass or landfill gas.

3 (E) A hydropower resource that is a quali-
4 fied energy resource (as that term is defined in
5 section 45(c)(1) of the Internal Revenue of
6 1986, as amended by section 1301(c) of the
7 Energy Policy Act of 2005 (119 Stat. 987)).

8 (F) Marine and hydrokinetic renewable en-
9 ergy, as that term is defined in section 632 of
10 the Energy Independence and Security Act of
11 2007 (42 U.S.C. 17211).

12 (12) SECRETARY.—The term “Secretary”
13 means the Secretary of the Interior, except as other-
14 wise provided in this Act.

15 (13) TERMS DEFINED IN OTHER LAW.—Each
16 of the terms “Federal land”, “lease”, “lease site”,
17 and “mineral leasing law” has the meaning that
18 term has under the Federal Oil and Gas Royalty
19 Management Act of 1982 (30 U.S.C. 1701 et seq.).

20 (14) TRIBE.—The term “tribe” has the same
21 meaning as that term has in section 4 of the Indian
22 Self-Determination and Education Assistance Act
23 (25 U.S.C. 450b(e)).

1 **TITLE I—CONSOLIDATION OF**
2 **DEPARTMENT OF THE INTE-**
3 **RIOR ENERGY AND MINERALS**
4 **LEASING PROGRAMS**

5 **SEC. 101. ESTABLISHMENT OF THE OFFICE OF FEDERAL**
6 **ENERGY AND MINERALS LEASING.**

7 (a) **ESTABLISHMENT.**—There is established in the
8 Department of the Interior the Office of Federal Energy
9 and Minerals Leasing.

10 (b) **FUNCTIONS.**—The Office shall—

11 (1) manage the leasing otherwise authorized by
12 law of all Federal lands in the United States and
13 Federal waters on the Outer Continental Shelf for
14 purposes of renewable and nonrenewable energy re-
15 source exploration, siting, production, and develop-
16 ment;

17 (2) regulate mineral and alternative energy de-
18 velopment on the Outer Continental Shelf;

19 (3) administer a program responsible for the
20 timely and accurate collection, distribution, account-
21 ing for, and auditing of revenues owed by holders of
22 mineral leases on Federal and offshore and Indian
23 lands; and

24 (4) ensure that energy and mineral development
25 on the Outer Continental Shelf is conducted in a

1 manner protective of the marine, coastal, and human
2 environment.

3 (c) ADMINISTRATION.—The Office shall administer
4 its functions by such means as are reasonably necessary
5 to carry out the purposes of this Act, the Outer Conti-
6 nental Shelf Lands Act (43 U.S.C. 1301 et seq.), the Min-
7 eral Leasing Act (30 U.S.C. 181 et seq.), the Mineral
8 Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.),
9 the Federal Oil and Gas Royalty Management Act of 1982
10 (30 U.S.C. 1701 et seq.), the Energy Policy Act of 2005
11 (Public Law 109–58), the Federal Oil and Gas Royalty
12 Simplification and Fairness Act of 1996 (Public Law 104–
13 185), the Forest and Rangeland Renewable Resources
14 Planning Act of 1974 (16 U.S.C. 1600 et seq.), and all
15 other applicable Federal laws.

16 **SEC. 102. OFFICERS AND EMPLOYEES.**

17 (a) DIRECTOR.—

18 (1) APPOINTMENT.—The Director shall be ap-
19 pointed by the President, by and with the advice and
20 consent of the Senate, on the basis of—

21 (A) professional competence; and

22 (B) capacity to—

23 (i) administer the provisions of this
24 Act; and

1 (ii) ensure that the fiduciary duties of
2 the United States Government on behalf of
3 the American people, as they relate to de-
4 velopment of energy resources, are duly
5 met.

6 (2) COMPENSATION.—The Director shall be
7 compensated at the rate provided for Level V of the
8 Executive Schedule under section 5315 of title 5,
9 United States Code.

10 (3) CONFORMING AMENDMENT.—Section 5315
11 of title 5, United States Code, is amended by adding
12 at the end the following new item:

13 “Director, Office of Federal Energy and Min-
14 erals Leasing.”.

15 (b) OTHER OFFICERS AND EMPLOYEES.—

16 (1) IN GENERAL.—There shall also be in the
17 Office such subordinate officers and employees as
18 may be appropriated for by Congress.

19 (2) TRANSFERS.—Within one year after the
20 date of enactment of this Act, the Secretary may
21 permanently transfer from the Bureau of Land
22 Management or other bureaus of the Department of
23 the Interior to the Office such personnel as nec-
24 essary to administer the onshore Federal land leas-

1 ing and sale programs authorized to be carried out
2 or managed by the Office under this Act.

3 (c) REGULATIONS.—Not later than 180 days after
4 the date of enactment of this Act, the Secretary shall issue
5 regulations that—

6 (1) require that all Office employees that con-
7 duct audits or compliance reviews for the Office
8 shall meet professional auditor qualifications that
9 are consistent with the latest revision of the Govern-
10 ment Auditing Standards published by the Govern-
11 ment Accountability Office; and

12 (2) ensure that all such audits conducted by the
13 Department of the Interior are performed in accord-
14 ance with such standards.

15 **SEC. 103. ETHICS.**

16 (a) GIFTS.—

17 (1) IN GENERAL.—An employee of the Office
18 may not knowingly accept a gift from an entity that
19 is engaged in the business of exploring for, devel-
20 oping, mining, transporting, processing, or trading
21 energy or minerals.

22 (2) EXCEPTIONS.—Except for the value excep-
23 tion, the regulations providing exceptions to the gift
24 rules for Federal employees for gifts from outside

1 sources under part 2635 of title 5, Code of Federal
2 Regulations, shall apply to paragraph (1).

3 (b) FINANCIAL DISCLOSURE.—The filing require-
4 ments of section 101(f) of the Ethics in Government Act
5 of 1978 shall apply to an employee of the Office in a posi-
6 tion classified at an annual income equivalent to GS-13
7 or higher.

8 (c) DIVESTITURE REQUIREMENT.—An employee of
9 the Office may not own stock or any other interest in an
10 entity that is engaged in the business of exploring for, de-
11 veloping, mining, transporting, processing, or trading en-
12 ergy or minerals during the period of employment of that
13 employee by the Office.

14 (d) OUTSIDE EMPLOYMENT.—An employee of the Of-
15 fice may not be employed by any entity that is engaged
16 in the business of exploring for, developing, mining, trans-
17 porting, processing, or trading energy or minerals during
18 the period of employment of that employee by the Office.

19 (e) REVOLVING DOOR.—An employee of the Office
20 shall not work for an entity engaged in the business of
21 exploring for, developing, mining, transporting, proc-
22 essing, or trading energy or minerals during the 1-year
23 period after the termination of his or her employment with
24 the Office.

1 (f) VIOLATIONS AND PENALTY.—Any person who vio-
2 lates this section shall be guilty of a felony and punished
3 as provided in section 216 of title 18, United States Code.

4 **TITLE II—OUTER CONTINENTAL**
5 **SHELF COORDINATION AND**
6 **PLANNING**

7 **SEC. 201. REGIONAL OUTER CONTINENTAL SHELF COORDI-**
8 **NATION.**

9 (a) IN GENERAL.—The purpose of this title is to pro-
10 mote coordinated regional efforts to improve the siting of
11 energy facilities and development of Federal renewable
12 and nonrenewable energy resources on, in, or above the
13 Outer Continental Shelf for the long-term economic and
14 environmental benefit of the United States.

15 (b) OBJECTIVES OF REGIONAL EFFORTS.—Such re-
16 gional efforts shall achieve the following objectives:

17 (1) Provide for more systematic communication,
18 coordination, and alignment of tribal, State, and
19 Federal governmental agencies and programs for the
20 environmentally and culturally sensitive siting and
21 development of energy facilities and development of
22 Federal renewable and nonrenewable energy re-
23 sources on, in, or above the Outer Continental Shelf
24 while recognizing regional marine ecosystems and re-
25 gional economic, ecological, and social objectives.

1 (2) Build on and improve existing regional pro-
2 grams and initiatives and foster the creation of new
3 regional efforts with respect to such resources in re-
4 gions where effective interstate and Federal coopera-
5 tive efforts are currently lacking.

6 (3) Provide for regional and subregional ocean
7 assessments and the development of baseline envi-
8 ronmental data, based on the best available science,
9 to determine status and trends and development and
10 to provide the information needed to improve energy
11 siting and other energy-related management deci-
12 sions.

13 (4) Identify shared State and Federal priority
14 issues and address them in a collaborative and co-
15 ordinated way based on existing legal authorities.

16 (5) Improve integration of Federal Government
17 efforts regarding development of mineral resources
18 and renewable and nonrenewable energy resources,
19 and maximize Federal Government efficiency in
20 those efforts.

21 (6) Identify and provide data and information
22 needed by the Regional Outer Continental Shelf
23 Councils established under section 202.

24 (7) Provide opportunities for public input on re-
25 gional priorities and plans for siting energy facilities

1 and development of Federal energy resources, in-
2 cluding nonrenewable energy resources and renew-
3 able energy resources on, in, or above the Outer
4 Continental Shelf.

5 (c) REGIONS.—There are hereby designated the fol-
6 lowing Outer Continental Shelf Regions:

7 (1) PACIFIC OUTER CONTINENTAL SHELF RE-
8 GION.—The Pacific Outer Continental Shelf Region,
9 which shall consist of the Outer Continental Shelf
10 adjacent to the States of Washington, Oregon, and
11 California.

12 (2) GULF OF MEXICO OUTER CONTINENTAL
13 SHELF REGION.—The Gulf of Mexico Outer Conti-
14 nental Shelf Region, which shall consist of the Outer
15 Continental Shelf adjacent to the States of Texas,
16 Louisiana, Mississippi, and Alabama, and the west
17 coast of Florida.

18 (3) ATLANTIC OUTER CONTINENTAL SHELF RE-
19 GION.—The Atlantic Outer Continental Shelf Re-
20 gion, which shall consist of the Outer Continental
21 Shelf adjacent to the States of Maine, New Hamp-
22 shire, Massachusetts, Rhode Island, Connecticut,
23 New York, New Jersey, Pennsylvania, Delaware,
24 Maryland, Virginia, North Carolina, South Carolina,
25 and Georgia, and the east coast of Florida.

1 or his or her designated representative, shall serve
2 as the chairperson of each Council.

3 (2) COASTAL STATE REPRESENTATIVES.—The
4 Governor of each coastal state within each Outer
5 Continental Shelf Region designated by section
6 201(c) shall—

7 (A) within 3 months after the date of en-
8 actment of this Act, inform the Director wheth-
9 er or not the State intends to participate in the
10 Council for the Outer Continental Shelf Region;
11 and

12 (B) if the State informs the Director in ac-
13 cordance with subparagraph (A) that it intends
14 to participate in such Council, within 1 year
15 after enactment of this Act, appoint an officer
16 or employee of the coastal state agency with
17 primary responsibility for overseeing ocean and
18 coastal policy or resource management to that
19 Council.

20 (3) REGIONAL FISHERIES REPRESENTATION.—
21 The Chair of each Regional Fishery Management
22 Council with jurisdiction in the Outer Continental
23 Shelf Region of a Council and the executive director
24 of the interstate marine fisheries commission with
25 jurisdiction in the Outer Continental Shelf Region of

1 a Council shall each serve as a member of the Coun-
2 cil.

3 (4) REGIONAL OCEAN PARTNERSHIP REP-
4 RESENTATION.—A representative of any Regional
5 Ocean Partnership that has been established for any
6 part of the Outer Continental Shelf Region of a
7 Council may appoint a representative to serve on the
8 Council.

9 (5) TRIBAL REPRESENTATION.—The head of a
10 tribe situated in the affected Outer Continental
11 Shelf Region, with federally reserved rights that are
12 affirmed by treaty, statute, executive order, Federal
13 court order, or other Federal law, may serve as a
14 member of the Council.

15 (6) OTHER REPRESENTATION.—The Director
16 shall appoint such other representatives to serve on
17 a Council as the Director determines appropriate
18 from the energy, shipping and transportation, ma-
19 rine tourism, and recreation industries, and from
20 marine environmental nongovernmental organiza-
21 tions.

22 (c) COORDINATION WITH EXISTING PROGRAMS.—
23 Each Council shall build upon and complement current
24 State, multistate, and regional capacity and governance

1 and institutional mechanisms to manage and protect ocean
2 waters, coastal waters, and ocean resources.

3 **SEC. 203. REGIONAL OUTER CONTINENTAL SHELF STRA-**
4 **TEGIC PLANS.**

5 (a) INITIAL OUTER CONTINENTAL SHELF REGION
6 ASSESSMENT.—

7 (1) IN GENERAL.—The Director, in consulta-
8 tion with the Regional Outer Continental Shelf
9 Council for an Outer Continental Shelf Region,
10 shall, within 1 year after the date of enactment of
11 this Act, prepare an initial assessment of the Outer
12 Continental Shelf Region in order to advise the Sec-
13 retary on development of each leasing program
14 under section 18 of the Outer Continental Shelf
15 Lands Act (43 U.S.C. 1344).

16 (2) CONTENTS.—Each initial assessment shall
17 include a summary of—

18 (A) an assessment of the Region's poten-
19 tial alternative energy resources and energy-re-
20 lated mineral resources and identification of
21 areas with energy production potential;

22 (B) an assessment of the Region's existing
23 infrastructure and projections for future trans-
24 mission requirements;

1 (C) a summary of the Region's marine eco-
2 system health and economy;

3 (D) an inventory of important ecological
4 areas within the Region, including the identi-
5 fication of baseline environmental data; and

6 (E) an inventory of other uses of the Outer
7 Continental Shelf in the Region.

8 (3) PUBLIC PARTICIPATION.—The Director, in
9 consultation with the Council, shall provide opportu-
10 nities for public input in the development of the as-
11 sessment and updates of the assessment under sub-
12 section (c). Such opportunities shall include opportu-
13 nities for sharing of the latest science and local
14 knowledge regarding the Region's energy resources.

15 (b) REGIONAL OUTER CONTINENTAL SHELF STRA-
16 TEGIC PLAN.—

17 (1) REQUIREMENT.—Each Council shall, within
18 2 years after the completion of the initial Outer
19 Continental Shelf Region assessment, prepare and
20 submit to the Director for review, consultation, and
21 approval a Regional Outer Continental Shelf Stra-
22 tegic Plan for a comprehensive, integrated energy
23 and energy-related mineral resources plan.

24 (2) CONTENTS.—Each Strategic Plan prepared
25 by a Council shall—

1 (A) be based on the Outer Continental
2 Shelf Region assessment and updates for the
3 Region under subsections (a) and (c), respec-
4 tively;

5 (B) identify—

6 (i) short-term and long-term goals for
7 siting and developing renewable and non-
8 renewable energy resources in the Outer
9 Continental Shelf Region covered by the
10 Strategic Plan; and

11 (ii) areas suitable for leasing for de-
12 velopment of renewable and nonrenewable
13 energy resources;

14 (C) identify and recommend long-term
15 monitoring measures for important ecological
16 areas within the Outer Continental Shelf Re-
17 gion covered by the Strategic Plan;

18 (D) identify existing State and Federal
19 regulating authorities within the Outer Conti-
20 nental Shelf Region covered by the Strategic
21 Plan;

22 (E) identify ecosystem-based management
23 measures to minimize adverse impacts of siting
24 and development of energy resources in the Re-
25 gion;

1 (F) identify research, information, and
2 data needed to carry out the Strategic Plan;

3 (G) identify performance measures and
4 benchmarks for purposes of subparagraphs (B),
5 (C), and (E) to be used to evaluate the Stra-
6 tegic Plan's effectiveness; and

7 (H) define responsibilities and include an
8 analysis of the gaps in authority, coordination,
9 and resources, including funding, that must be
10 filled in order to fully achieve those perform-
11 ance measures and benchmarks.

12 (3) PUBLIC PARTICIPATION.—Each Council
13 shall provide adequate opportunities for public input
14 during the development of the Strategic Plan and
15 any Strategic Plan revisions.

16 (c) UPDATED OUTER CONTINENTAL SHELF REGION
17 ASSESSMENTS.—The Director, in consultation with the
18 appropriate Council and other experts, shall update the
19 initial Outer Continental Shelf Region assessment pre-
20 pared under subsection (a) in coordination with each leas-
21 ing program under section 18 of the Outer Continental
22 Shelf Lands Act (43 U.S.C. 1344), to provide more de-
23 tailed information regarding the required elements of the
24 assessment and to include any new information that has
25 become available.

1 (d) PLAN REVISION.—Each Strategic Plan that is
2 approved by the Director shall be reviewed and revised by
3 the relevant Council at least once every 5 years. Such re-
4 view and revision shall be based on the most recently up-
5 dated Outer Continental Shelf Region assessment. Any
6 proposed revisions to the Strategic Plan shall be trans-
7 mitted to the Director for review and approval pursuant
8 to this section.

9 (e) REVIEW AND APPROVAL.—

10 (1) COMMENCEMENT OF REVIEW.—Within 10
11 days after transmittal of a Strategic Plan under this
12 section, or any revision to such a Strategic Plan, by
13 a Council, the Director shall commence a review of
14 the Strategic Plan or the revised Strategic Plan, re-
15 spectively.

16 (2) PUBLIC NOTICE AND COMMENT.—Imme-
17 diately after receipt of such a Strategic Plan or revi-
18 sion, the Director shall publish the Strategic Plan or
19 revision in the Federal Register and provide an op-
20 portunity for the submission of public comment for
21 a 60-day period beginning on the date of such publi-
22 cation.

23 (3) REQUIREMENTS FOR APPROVAL.—Before
24 approving a Strategic Plan, or any revision to a

1 Strategic Plan, the Director must find that the Stra-
2 tegic Plan or revision—

3 (A) is consistent with the Outer Conti-
4 nental Shelf Lands Act; and

5 (B) adequately addresses the required ele-
6 ments under subsection (b).

7 (4) DEADLINE FOR COMPLETION.—Within 120
8 days after transmittal of a Strategic Plan, or a revi-
9 sion to a Strategic Plan, the Director shall approve
10 or disapprove the Strategic Plan or revision by writ-
11 ten notice.

12 **SEC. 204. REGULATIONS.**

13 The Director shall issue such regulations as the Di-
14 rector considers necessary to ensure proper administration
15 of this title.

16 **SEC. 205. OCEAN AND COASTAL TRUST FUND.**

17 (a) ESTABLISHMENT.—

18 (1) IN GENERAL.—There is established in the
19 Treasury of the United States a separate account to
20 be known as the Ocean and Coastal Trust Fund (in
21 this section referred to as the “Fund”).

22 (2) CREDITS.—The Fund shall be credited with
23 amounts as specified in subsection (q) of section 8
24 of the Outer Continental Shelf Lands Act (43

1 U.S.C. 1337), as amended by section 701 of this
2 Act.

3 (3) ALLOCATION OF THE FUND.—

4 (A) IN GENERAL.—Of the amounts depos-
5 ited in the Fund each fiscal year—

6 (i) 50 percent shall be used by the
7 Secretary to make grants to coastal states
8 under subsection (b);

9 (ii) 30 percent shall be allocated by
10 the Secretary to the Ocean and Coastal
11 Grants Program established by subsection
12 (c); and

13 (iii) 20 percent shall be used by the
14 Secretary to make grants to Regional
15 Ocean Partnerships under subsection (d).

16 (B) AVAILABILITY.—Amounts deposited in
17 the Fund shall be available to the Secretary of
18 Commerce (in this section referred to as the
19 “Secretary”) for allocation under subparagraph
20 (A)—

21 (i) for fiscal years 2009 through
22 2019, in such amounts as are provided by
23 appropriations enacted after the date of
24 enactment of this Act; and

1 (ii) for fiscal year 2020 and each fis-
2 cal year thereafter, without further appro-
3 priation.

4 (4) PROCEDURES.—The Secretary shall estab-
5 lish application, review, oversight, financial account-
6 ability, and performance accountability procedures
7 for each grant program to which funds are allocated
8 under this subsection.

9 (b) GRANTS TO COASTAL STATES.—

10 (1) GRANT AUTHORITY.—The Secretary may
11 use amounts allocated under subsection (a)(3)(A)(i)
12 to make grants to coastal states pursuant to the for-
13 mula established under section 306(c) of the Coastal
14 Zone Management Act of 1972 (16 U.S.C. 1455(c)).

15 (2) ELIGIBILITY.—In order to be eligible to re-
16 ceive funds under this subsection, a coastal state
17 must prepare and annually revise a plan that dem-
18 onstrates that activities for which the coastal state
19 will use the funds are consistent with the eligible
20 uses of the Fund identified in subsection (e).

21 (3) APPROVAL OF STATE PLANS.—Such plans
22 must be submitted to and approved by the Sec-
23 retary.

24 (4) PUBLIC INPUT AND COMMENT.—In deter-
25 mining whether to approve such plans, the Secretary

1 shall provide opportunity for, and take into consider-
2 ation, public input and comment on the plans.

3 (c) OCEAN AND COASTAL GRANTS PROGRAM.—

4 (1) ESTABLISHMENT.—The Secretary shall es-
5 tablish an Ocean and Coastal Grants Program for
6 the purposes of allocating funds available under sub-
7 section (a)(3)(A)(ii).

8 (2) OCEAN AND COASTAL COUNCIL.—

9 (A) IN GENERAL.—The Secretary shall es-
10 tablish an Ocean and Coastal Council (in this
11 section referred to as the “Council”), which
12 shall consist of 12 members appointed by the
13 Secretary with expertise in the conservation and
14 management of marine resources. In appointing
15 members to the Council, the Secretary shall in-
16 clude a balanced diversity of representatives of
17 relevant Federal agencies, the private sector,
18 nonprofit organizations, and academia.

19 (B) TERMS AND VACANCIES.—The term of
20 office of members of the Council shall be 3
21 years, except the Secretary shall designate
22 shorter terms of initial members of the Council
23 so that the terms of subsequent members are
24 staggered. Whenever a vacancy occurs among
25 members of the Council, the Secretary shall ap-

1 point an individual to fill that vacancy for the
2 remainder of the applicable term.

3 (C) OFFICERS OF THE COUNCIL.—The
4 Council shall have a Chair and a Vice Chair,
5 both of whom shall be elected by the Council by
6 and from its members. The Chair and Vice
7 Chair shall serve for a 3-year term, except that
8 the first Chair and Vice Chair may be elected
9 for a term of less than 3 years, as determined
10 by the Council. The Council may elect any
11 other officers it deems necessary to carry out
12 its duties under this Act.

13 (D) QUORUM.—Eight members of the
14 Council shall constitute a quorum for the trans-
15 action of business.

16 (E) MEETINGS.—The Council shall meet
17 at the call of the Chair at least twice per year.
18 Each meeting shall be open to the public.

19 (F) STAFF.—The Chair of the Council
20 may hire staff as needed within the constraints
21 of available administrative funds to carry out
22 its duties under this Act.

23 (G) FUNCTIONS.—The Council shall—
24 (i) in consultation with the Secretary,
25 establish procedures for applying for a

1 grant under this subsection and criteria for
2 evaluating applications for such grants;

3 (ii) receive and review in accordance
4 with those procedures and criteria grant
5 applications under this subsection;

6 (iii) make recommendations to the
7 Secretary regarding which grant applica-
8 tions should be funded; and

9 (iv) establish any specific require-
10 ments, conditions, or limitations on a grant
11 application recommended for funding.

12 (3) ELIGIBILITY FOR GRANTS.—The Secretary
13 shall establish criteria in consultation with the Coun-
14 cil to determine what persons are eligible for grants
15 under the program. Such persons shall include but
16 not be limited to Federal, State and local agencies,
17 fishery or wildlife management organizations, non-
18 profit organizations, and academic institutions.

19 (4) APPROVAL OF GRANTS.—The Secretary
20 shall approve grant applications on the basis of the
21 Council's recommendations. If the Secretary dis-
22 approves a grant recommended by the Council, the
23 Secretary shall explain that disapproval in writing.

1 (5) USE OF GRANT FUNDS.—Any amounts pro-
2 vided as a grant under this subsection may only be
3 used for activities described in subsection (e).

4 (d) GRANTS TO REGIONAL OCEAN PARTNERSHIPS.—

5 (1) GRANT AUTHORITY.—The Secretary may
6 use amounts allocated under subsection (a)(3)(A)(iii)
7 to make grants to Regional Ocean Partnerships.

8 (2) ELIGIBILITY.—In order to be eligible to re-
9 ceive funds under subsection (a)(3)(A)(iii), a Re-
10 gional Ocean Partnership must prepare and annu-
11 ally revise a plan that demonstrates that activities to
12 be carried out with such funds are consistent with
13 the eligible uses of the funds identified in subsection
14 (e).

15 (3) APPROVAL BY SECRETARY.—Such plans
16 must be submitted to and approved by the Sec-
17 retary.

18 (4) PUBLIC INPUT AND COMMENT.—In deter-
19 mining whether to approve such plans, the Secretary
20 shall provide opportunity for, and take into consider-
21 ation, public input and comment on the plans.

22 (e) ELIGIBLE USE OF FUNDS.—Any funds made
23 available under this section may only be used for activities
24 that contribute to the protection, maintenance, and res-

1 toration of ocean, coastal, and Great Lakes ecosystems,
2 including—

3 (1) the development and implementation of
4 comprehensive, science-based plans for monitoring
5 and managing the wide variety of uses affecting the
6 ocean, coasts, and Great Lakes ecosystems;

7 (2) activities to improve the resiliency of those
8 ecosystems;

9 (3) activities to improve the ability of those eco-
10 systems to become more resilient, and to adapt to
11 and withstand the impacts of climate change and
12 ocean acidification;

13 (4) planning for and managing coastal develop-
14 ment to minimize the loss of life and property asso-
15 ciated with global climate change and the coastal
16 hazards resulting from it; and

17 (5) research, assessment, and monitoring that
18 contributes to the achievement of these purposes.

19 **SEC. 206. WAIVER.**

20 The Federal Advisory Committee Act (5 U.S.C. App.)
21 shall not apply to the Regional Outer Continental Shelf
22 Councils established under section 202.

1 **TITLE III—ONSHORE ENERGY**
2 **SITING AND DEVELOPMENT**
3 **PLANNING**

4 **SEC. 301. COMPREHENSIVE ENERGY LAND USE PLANNING.**

5 (a) PURPOSE.—The purpose of this title is to pro-
6 mote coordinated State, tribal, regional, and Federal ef-
7 forts to improve the siting of energy facilities on Federal
8 lands and development of Federal energy resources, in-
9 cluding nonrenewable energy resources and renewable en-
10 ergy resources for the long-term economic and environ-
11 mental benefit of the United States through—

12 (1) the establishment of Energy Siting and De-
13 velopment Teams;

14 (2) formal coordination amongst individual
15 State and tribal planning efforts, regional planning
16 efforts, and the Federal Government;

17 (3) the designation of cost-effective, environ-
18 mentally sensitive, energy zones on Federal lands;
19 and

20 (4) the development and implementation of
21 Federal-State-tribal strategic plans for energy devel-
22 opment of Federal renewable and nonrenewable en-
23 ergy resources.

24 (b) OBJECTIVES.—Such planning efforts shall
25 achieve the following objectives:

1 (1) Provide for more systematic communication,
2 coordination, and alignment of State, tribal, and
3 Federal governmental agencies and programs for the
4 environmentally sensitive siting and development of
5 energy facilities on Federal land and development of
6 Federal mineral resources and renewable and non-
7 renewable energy resources while recognizing eco-
8 system, economic, ecological, and social objectives.

9 (2) Build on and improve existing State, tribal,
10 and regional initiatives to develop Federal energy re-
11 sources and transmission needs to meet increased
12 energy demands.

13 (3) Coordinate State, tribal, and regional as-
14 sessments and the development of baseline environ-
15 mental data, based on the best available science, to
16 provide the information needed to improve energy
17 siting on Federal lands and other energy-related
18 management decisions.

19 (4) Identify shared State, tribal, and Federal
20 priority issues and address them in a collaborative
21 and coordinated way based on existing legal authori-
22 ties.

23 (5) Provide opportunities for public input on
24 priorities and plans for siting energy facilities on
25 Federal lands and development of Federal energy re-

1 sources, including nonrenewable energy resources
2 and renewable energy resources.

3 **SEC. 302. ENERGY SITING AND DEVELOPMENT TEAMS.**

4 (a) IN GENERAL.—

5 (1) ESTABLISHMENT.—Within 180 days after
6 the date of enactment of this Act, the Director of
7 the Bureau of Land Management (hereinafter in
8 this section referred to as “the Director”) and the
9 Chief of the Forest Service (hereinafter in this sec-
10 tion referred to as “the Chief”) shall jointly estab-
11 lish an Energy Siting and Development Team (here-
12 inafter referred to in this section as a “Team”) for
13 each of the States of Alaska, Arizona, California,
14 Colorado, Idaho, Montana, Nevada, New Mexico, Or-
15 egon, Utah, Washington, and Wyoming.

16 (2) FUNCTIONS.—Each Team shall, for the
17 State for which it is established, conduct an initial
18 assessment and develop and implement a Strategic
19 Plan under section 303.

20 (b) MEMBERSHIP.—

21 (1) FEDERAL REPRESENTATIVES.—Within 270
22 days after the date of enactment of this Act, the Di-
23 rector and the Chief shall jointly designate the Fed-
24 eral agencies and departments that shall participate
25 in each Team. Among the agencies and departments

1 designated for each Team, the Director and the
2 Chief shall include the Bureau of Indian Affairs and
3 all Federal agencies and departments that have ex-
4 pertise in energy siting and development, land and
5 water resource management, and conservation. The
6 head of each Federal agency or department des-
7 ignated by the Director and the Chief shall select
8 and appoint officers or employees of that agency or
9 department to serve as its representatives to each
10 Team. The Bureau of Land Management State Di-
11 rector for each State shall serve as the Chair of the
12 Team for that State.

13 (2) STATE REPRESENTATIVES.—Each Team
14 shall include an officer or employee of the State
15 agency with primary responsibility for overseeing
16 land or energy policy or resource management for
17 that State. The Governor of each State shall nomi-
18 nate such officer or employee within one year after
19 the date of enactment of this Act.

20 (3) OTHER REPRESENTATION.—The Director
21 shall appoint such other representatives to serve on
22 a Team as the Director determines appropriate from
23 the energy, transportation, tourism, and recreation
24 industries, and from environmental nongovernmental
25 organizations.

1 (c) PROCEDURES.—

2 (1) IN GENERAL.—Each Team shall operate in
3 accordance with procedures established by the Team
4 and approved jointly by the Director and the Chief.

5 (2) REQUIRED PROCEDURES.—The Director
6 and the Chief shall jointly prescribe requirements for
7 approval of procedures under paragraph (1) that at
8 minimum provide for—

9 (A) transparency in decisionmaking; and

10 (B) opportunities for public input and par-
11 ticipation.

12 **SEC. 303. STRATEGIC PLANS.**

13 (a) INITIAL ASSESSMENT.—

14 (1) IN GENERAL.—Each Team established
15 under section 302, in consultation with experts iden-
16 tified by the Team, shall within 1 year after the date
17 of enactment of this Act, prepare or adopt an initial
18 assessment of the Federal lands and energy re-
19 sources in the State in order to guide the develop-
20 ment of the Strategic Plan prepared for such State
21 under subsection (b).

22 (2) CONTENTS.—Each initial assessment shall
23 include—

1 (A) an assessment of the potential Federal
2 renewable and nonrenewable energy resources
3 located in that State;

4 (B) an assessment of existing production
5 and transmission infrastructure and projections
6 for future production and transmission require-
7 ments in the State;

8 (C) an assessment of the status of the eco-
9 system and ecology of the State and relevant
10 economic factors; and

11 (D) an assessment of those areas within
12 the State that should not be open to develop-
13 ment of nonrenewable energy resources, renew-
14 able energy resources, or both.

15 (3) PUBLIC PARTICIPATION.—The Director and
16 the Chief, in consultation with the Team, shall pro-
17 vide opportunities for public input in the develop-
18 ment of the assessment and updates of the assess-
19 ment under subsection (c). Such opportunities shall
20 include sharing with the Team the latest scientific
21 and local knowledge regarding the State's energy
22 and environmental resources.

23 (4) EXISTING STATE AND REGIONAL EF-
24 FORTS.—Each Team shall work with the Director
25 and the Chief to determine whether an existing as-

1 assessment satisfies the requirements of, and may be
2 adopted under, this section.

3 (b) STRATEGIC PLANS.—

4 (1) REQUIREMENT.—Each Team shall, within 2
5 years after the completion or adoption of the initial
6 assessment for a State, prepare and submit to the
7 Director and the Chief for review, consultation, and
8 approval a Strategic Plan (hereinafter in this section
9 referred to as “the Plan”) consisting of a com-
10 comprehensive energy plan for the Federal lands and re-
11 sources in the State.

12 (2) CONTENTS.—Each Plan prepared by a
13 Team for a State shall—

14 (A) describe short-term and long-term
15 goals for siting and developing Federal energy
16 resources in the State;

17 (B) be consistent with all requirements of
18 the Federal Land Policy and Management Act
19 of 1976 (43 U.S.C. 1701 et seq.), the Forest
20 and Rangeland Renewable Resources Planning
21 Act of 1974 (16 U.S.C. 1600 et seq.), and all
22 other applicable law;

23 (C) be based on the assessment and up-
24 dates required under subsections (a) and (c),
25 respectively;

1 (D) recommend long-term monitoring
2 measures for important ecological areas within
3 the State;

4 (E) identify State, tribal, and Federal pri-
5 ority issues within the State;

6 (F) describe ecosystem-based management
7 solutions and policies to address the priority
8 issues;

9 (G) identify research, information, and
10 data needed to carry out the Plan;

11 (H) identify performance measures and
12 benchmarks to evaluate the Plan's effectiveness;

13 (I) define responsibilities and include an
14 analysis of the gaps in authority, coordination,
15 and resources, including funding, that must be
16 filled in order to fully achieve those perform-
17 ance measures and benchmarks; and

18 (J) identify distinct zones for each of—

19 (i) production of energy from Federal
20 renewable energy resources;

21 (ii) extraction or mining of Federal
22 nonrenewable energy resources;

23 (iii) extraction or mining of minerals
24 that may be used to produce or support
25 production of energy; and

1 (iv) any combination of clauses (i),
2 (ii), and (iii).

3 (3) PUBLIC PARTICIPATION.—Each Team shall
4 provide adequate opportunities for public input dur-
5 ing the development of the Plan and any revisions
6 thereto.

7 (c) UPDATED STATE ASSESSMENTS.—The Director
8 and the Chief, in consultation with the Team for a State
9 and other experts, shall, within 4 years after approval of
10 the Plan for the State, and at least once every 5 years
11 thereafter, update the initial assessment prepared or
12 adopted under subsection (a) to provide more detailed in-
13 formation regarding the required elements of the assess-
14 ment and to include any new information that has become
15 available.

16 (d) PLAN REVISION.—Each Plan shall be reviewed
17 and revised by the relevant Team at least once every 5
18 years. Such review and revision shall be based on a re-
19 cently updated assessment under subsection (a). Any pro-
20 posed revisions to the Plan shall be transmitted to the Di-
21 rector and the Chief for review and approval pursuant to
22 this section.

23 (e) ACTION BY THE DIRECTOR AND THE CHIEF.—

24 (1) REVIEW OF PLANS.—

1 (A) PUBLIC NOTICE AND COMMENT.—Im-
2 mediately after receipt of a Plan or Plan revi-
3 sion, the Director or the Chief shall publish the
4 Plan or revision in the Federal Register and
5 provide an opportunity for the submission of
6 public comment for a 60-day period beginning
7 on the date of such publication.

8 (B) REQUIREMENTS FOR APPROVAL.—Be-
9 fore approving a Plan, or any Plan revision, the
10 Director and the Chief must find that the Plan
11 or revision—

12 (i) is consistent with this Act;

13 (ii) adequately addresses the required
14 elements under subsection (b); and

15 (iii) is consistent with all require-
16 ments of the Federal Land Policy and
17 Management Act of 1976 (43 U.S.C. 1701
18 et seq.), the Forest and Rangeland Renew-
19 able Resources Planning Act of 1974 (16
20 U.S.C. 1600 et seq.), and all other applica-
21 ble law.

22 (C) DEADLINE FOR REVIEW.—Within 120
23 days after receipt of a Plan or Plan revision,
24 the Director and the Chief shall approve or dis-
25 approve the Plan or revision by written notice.

1 (2) PLAN IMPLEMENTATION.—All land acqui-
2 sion and disposition activities by the Department of
3 the Interior and the Forest Service, and all develop-
4 ment, maintenance, and revision of land use plans
5 conducted pursuant to the Federal Land Policy and
6 Management Act of 1976 (43 U.S.C. 1701 et seq.),
7 the Forest and Rangeland Renewable Resources
8 Planning Act of 1974 (16 U.S.C. 1600 et seq.), and
9 all other applicable law, shall reflect the results of
10 the most recent assessments required in subsection
11 (a), shall be consistent with the most recent Plans
12 required by subsection (b), and, to the extent prac-
13 ticable, shall incorporate the relevant provisions of
14 such assessments and Plans, including establishment
15 of distinct energy zones identified in such assess-
16 ments and Plans.

17 (f) EXISTING STATE AND REGIONAL EFFORTS.—For
18 any State or region for which a State or regional govern-
19 ance effort already exists, the relevant States shall work
20 with the Director, the Chief, and the Assistant Secretary
21 of Indian Affairs to determine whether the Team estab-
22 lished for the State or region should build upon and ex-
23 pand that effort, or whether the Team should initiate a
24 new effort. Each Team shall build upon and complement
25 current State, multistate, and regional capacity and gov-

1 ernance and institutional mechanisms to manage and pro-
2 tect energy resources.

3 **SEC. 304. REGULATIONS.**

4 The Director and the Chief shall issue such regula-
5 tions as they consider necessary to ensure proper adminis-
6 tration of this title.

7 **SEC. 305. OTHER AUTHORITY.**

8 This title shall not be construed as superseding or
9 diminishing the authorities and responsibilities, under any
10 other provision of law, of the Director or the Chief or any
11 other Federal, State, or tribal officer, employee, depart-
12 ment, or agency. The authorities provided in this title are
13 in addition to, and not in derogation of, authorities grant-
14 ed under existing law.

15 **SEC. 306. WAIVER.**

16 The Federal Advisory Committee Act (5 U.S.C. App.)
17 shall not apply to the Energy Siting and Development
18 Teams established under section 302.

1 **TITLE IV—NEW ONSHORE**
2 **LEASING AUTHORITY**
3 **Subtitle A—Solar and Wind**
4 **Leasing Program**

5 **SEC. 401. AUTHORITY TO ISSUE COMMERCIAL LEASES FOR**
6 **WIND AND SOLAR PROJECTS ON FEDERAL**
7 **LANDS.**

8 (a) **IN GENERAL.**—The Secretary, acting through the
9 Director, shall have the authority to issue leases, on a
10 competitive basis, for commercial solar or wind energy de-
11 velopment on Federal lands under the administrative ju-
12 risdiction of the Bureau of Land Management or of the
13 Forest Service, consistent with the Strategic Plans re-
14 quired by section 303.

15 (b) **FINAL REGULATIONS.**—Not later than 18 months
16 after the date of enactment of this Act, the Secretary of
17 the Interior shall publish final regulations establishing a
18 commercial wind and solar leasing program under sub-
19 section (a).

20 (c) **COMMENCEMENT OF COMMERCIAL LEASING FOR**
21 **SOLAR AND WIND ENERGY ON PUBLIC LANDS.**—Not
22 later than 90 days after completion of the Strategic Plans
23 required by section 303 and the leasing programs devel-
24 oped under section 44 of the Mineral Leasing Act, as

1 amended by this Act, the Secretary shall conduct lease
2 sales under the regulations under this subtitle.

3 (d) EASEMENTS, SPECIAL-USE PERMITS, AND
4 RIGHTS-OF-WAY.—Upon completion of the Strategic
5 Plans required by section 303, easements, special-use per-
6 mits, and rights-of-way shall not be available for commer-
7 cial wind and solar projects on Federal lands under the
8 administrative jurisdiction of the Bureau of Land Man-
9 agement or Forest Service, except for the placement and
10 operation of testing or data collection devices or facilities
11 that will not result in the commercial sale of electric
12 power.

13 (e) TRANSITION TO COMMERCIAL LEASING.—The
14 Secretary of the Interior, for lands under the jurisdiction
15 of the Bureau of Land management, and the Secretary
16 of Agriculture, for lands under the jurisdiction of the For-
17 est Service, may issue an easement, special-use permit, or
18 right-of-way for a commercial wind or solar project for
19 which a plan of development has been submitted to the
20 relevant Secretary before the date of enactment of this
21 Act.

22 (f) DILIGENT DEVELOPMENT REQUIREMENTS.—The
23 Director shall, by regulation, designate work requirements
24 and milestones to ensure the diligent development is car-
25 ried out under each lease issued under this subtitle.

1 **SEC. 402. LAND MANAGEMENT.**

2 The Director, in consultation with the Director of the
3 Bureau of Land Management and the Chief of the Forest
4 Service, shall issue regulations that—

5 (1) establish the duration of leases under this
6 subtitle; and

7 (2) require the holder of a lease granted under
8 this subtitle to—

9 (A) furnish a surety bond or other form of
10 security, as prescribed by the Director;

11 (B) provide for the restoration of the area
12 that is subject to the lease, upon completion of
13 activities authorized by it, to the condition in
14 which the area existed before the granting of
15 the lease; and

16 (C) comply with such other requirements
17 as the Director and affected Federal land man-
18 ager consider necessary to protect the interests
19 of the public and the United States.

20 **SEC. 403. REVENUES.**

21 The Director shall establish royalties, fees, rentals,
22 bonus bids, or other payments for leases issued under this
23 subtitle, that shall—

24 (1) encourage development of solar and wind
25 energy on public lands; and

26 (2) ensure a fair return to the United States.

1 **Subtitle B—Uranium Leasing**

2 **SEC. 411. FEDERAL LANDS URANIUM LEASING.**

3 The Mineral Leasing Act (30 U.S.C. 181 et seq.), as
4 amended by section 601 of this Act, is further amended
5 by inserting after section 44 (as added by such amend-
6 ment) the following new section:

7 **“SEC. 45. LEASING OF LANDS FOR URANIUM MINING.**

8 “(a) IN GENERAL.—The Secretary of the Interior—

9 “(1) may divide any lands subject to this Act
10 that are not withdrawn from mineral leasing and
11 that are otherwise available for uranium leasing
12 under applicable law, including lands available under
13 the terms of land use plans prepared by the Federal
14 agency managing the land, into leasing tracts of
15 such size as the Secretary finds appropriate and in
16 the public interest; and

17 “(2) thereafter shall, in the Secretary’s discre-
18 tion, upon the request of any qualified applicant or
19 on the Secretary’s own motion, from time to time,
20 offer such lands for leasing and award leases there-
21 on by competitive bidding.

22 “(b) FAIR MARKET VALUE REQUIRED.—

23 “(1) IN GENERAL.—No bid shall be accepted
24 that is less than the fair market value, as deter-

1 mined by the Secretary, of the uranium subject to
2 the lease.

3 “(2) PUBLIC COMMENT.—Prior to the Sec-
4 retary’s determination of the fair market value of
5 the uranium subject to the lease, the Secretary shall
6 give opportunity for and consideration to public com-
7 ments on the fair market value.

8 “(3) DISCLOSURE NOT REQUIRED.—Nothing in
9 this section shall be construed to require the Sec-
10 retary to make public the Secretary’s judgment as to
11 the fair market value of the uranium to be leased,
12 or the comments the Secretary receives thereon prior
13 to the issuance of the lease.

14 “(c) LANDS UNDER THE JURISDICTION OF OTHER
15 AGENCIES.—Leases covering lands the surface of which
16 is under the jurisdiction of any Federal agency other than
17 the Department of the Interior may be issued only—

18 “(1) upon consent of the head of the other Fed-
19 eral agency; and

20 “(2) upon such conditions the head of such
21 other Federal agency may prescribe with respect to
22 the use and protection of the nonmineral interests in
23 those lands.

24 “(d) CONSIDERATION OF EFFECTS OF MINING.—Be-
25 fore issuing any uranium lease, the Secretary shall con-

1 sider effects that mining under the proposed lease might
2 have on an impacted community or area, including im-
3 pacts on the environment, on agricultural and other eco-
4 nomic activities, and on public services.

5 “(e) NOTICE OF PROPOSED LEASE.—No lease sale
6 shall be held for lands until after a notice of the proposed
7 offering for lease has been given once a week for three
8 consecutive weeks in a newspaper of general circulation
9 in the county in which the lands are situated, or in elec-
10 tronic format, in accordance with regulations prescribed
11 by the Secretary.

12 “(f) AUCTION REQUIREMENTS.—All lands to be
13 leased under this section shall be leased to the highest re-
14 sponsible qualified bidder—

15 “(1) under general regulations;

16 “(2) in units of not more than 2,560 acres that
17 are as nearly compact as possible; and

18 “(3) by oral bidding.

19 “(g) REQUIRED PAYMENTS.—

20 “(1) IN GENERAL.—A lease under this section
21 shall be conditioned upon the payment by the lessee
22 of—

23 “(A) a royalty at a rate of not less than
24 12.5 percent in amount or value of the produc-
25 tion removed or sold under the lease; and

1 “(B) a rental of—

2 “(i) not less than \$2.50 per acre per
3 year for the first through fifth years of the
4 lease; and

5 “(ii) not less than \$3 per acre per
6 year for each year thereafter.

7 “(2) USE OF REVENUES.—Amounts received as
8 revenues under this subsection with respect to a
9 lease may be used by the Secretary of the Interior,
10 subject to the availability of appropriations, for
11 cleaning up uranium mill tailings and reclaiming
12 abandoned uranium mines on Federal lands in ac-
13 cordance with the priorities and eligibility restric-
14 tions, respectively, under subsections (c) and (d) of
15 section 411 of the Surface Mining Control and Rec-
16 lamation Act of 1977 (30 U.S.C. 1240a).

17 “(h) LEASE TERM.—A lease under this section—

18 “(1) shall be effective for a primary term of 10
19 years; and

20 “(2) shall continue in effect after such primary
21 term for so long is as uranium is produced under
22 the lease in paying quantities.

23 “(i) EXPLORATION LICENSES.—

24 “(1) IN GENERAL.—The Secretary may, under
25 such regulations as the Secretary may prescribe,

1 issue to any person an exploration license. No per-
2 son may conduct uranium exploration for commer-
3 cial purposes on lands subject to this Act without
4 such an exploration license. Each exploration license
5 shall be for a term of not more than two years and
6 shall be subject to a reasonable fee. An exploration
7 license shall confer no right to a lease under this
8 Act. The issuance of exploration licenses shall not
9 preclude the Secretary from issuing uranium leases
10 at such times and locations and to such persons as
11 the Secretary deems appropriate. No exploration li-
12 cense may be issued for any land on which a ura-
13 nium lease has been issued. A separate exploration
14 license shall be required for exploration in each
15 State. An application for an exploration license shall
16 identify general areas and probable methods of ex-
17 ploration. Each exploration license shall contain such
18 reasonable conditions as the Secretary may require,
19 including conditions to ensure the protection of the
20 environment, and shall be subject to all applicable
21 Federal, State, and local laws and regulations. Upon
22 violation of any such conditions or laws the Sec-
23 retary may revoke the exploration license.

24 “(2) LIMITATIONS.—A licensee may not cause
25 substantial disturbance to the natural land surface.

1 A licensee may not remove any uranium for sale but
2 may remove a reasonable amount of uranium from
3 the lands subject to this Act included under the Sec-
4 retary's license for analysis and study. A licensee
5 must comply with all applicable rules and regula-
6 tions of the Federal agency having jurisdiction over
7 the surface of the lands subject to this Act. Explo-
8 ration licenses covering lands the surface of which is
9 under the jurisdiction of any Federal agency other
10 than the Department of the Interior may be issued
11 only upon such conditions as it may prescribe with
12 respect to the use and protection of the nonmineral
13 interests in those lands.

14 “(3) SHARING OF DATA.—The licensee shall
15 furnish to the Secretary copies of all data (including
16 geological, geophysical, and core drilling analyses)
17 obtained during such exploration. The Secretary
18 shall maintain the confidentiality of all data so ob-
19 tained until after the areas involved have been leased
20 or until such time as the Secretary determines that
21 making the data available to the public would not
22 damage the competitive position of the licensee,
23 whichever comes first.

24 “(4) EXPLORATION WITHOUT A LICENSE.—Any
25 person who willfully conducts uranium exploration

1 for commercial purposes on lands subject to this Act
2 without an exploration license issued under this sub-
3 section shall be subject to a fine of not more than
4 \$1,000 for each day of violation. All data collected
5 by such person on any Federal lands as a result of
6 such violation shall be made immediately available to
7 the Secretary, who shall make the data available to
8 the public as soon as it is practicable. No penalty
9 under this subsection shall be assessed unless such
10 person is given notice and opportunity for a hearing
11 with respect to such violation.

12 “(j) CONVERSION OF MINING CLAIMS TO MINERAL
13 LEASES.—

14 “(1) IN GENERAL.—The owner of any mining
15 claim (in this subsection referred to as a ‘claimant’)
16 located prior to the date of enactment of the Federal
17 Lands and Resources Energy Development Act of
18 2009 may, within two years after such date, apply
19 to the Secretary of the Interior to convert the claim
20 to a lease under this section. The Secretary shall
21 issue a uranium lease under this section to the
22 claimant upon a demonstration by the claimant, to
23 the satisfaction of the Secretary, within one year
24 after the date of the application to the Secretary,
25 that the claim was, as of such date of enactment,

1 supported by the discovery of a valuable deposit of
2 uranium on the claimed land. The holder of a lease
3 issued upon conversion from a mining claim under
4 this subsection shall be subject to all the require-
5 ments of this section governing uranium leases, ex-
6 cept that the holder shall not be required to pay a
7 royalty on the value of the uranium produced under
8 the lease, until beginning ten years after the date
9 the claim is converted to a lease.

10 “(2) OTHER CLAIMS EXTINGUISHED.—All min-
11 ing claims located for uranium on Federal lands
12 whose claimant does not apply to the Secretary for
13 conversion to a lease, or whose claimant cannot
14 make such a demonstration of discovery, shall be-
15 come null and void by operation of law three years
16 after such date of enactment.”.

17 **TITLE V—OIL AND GAS ROYALTY** 18 **REFORM**

19 **SEC. 501. FINES AND PENALTIES.**

20 (a) SANCTIONS FOR VIOLATIONS RELATING TO FED-
21 ERAL OIL AND GAS ROYALTIES.—Section 109 of the Fed-
22 eral Oil and Gas Royalty Management Act of 1982 (30
23 U.S.C. 1719) is amended to read as follows:

24 “CIVIL PENALTIES

25 “SEC. 109. (a) ROYALTY VIOLATIONS.—(1) No per-
26 son shall—

1 “(A) after due notice of violation or after such
2 violation has been reported under paragraph (3)(A),
3 fail or refuse to comply with any requirement of any
4 mineral leasing law or any regulation, order, lease,
5 or permit under such a law;

6 “(B) fail or refuse to make any royalty pay-
7 ment in the amount or value required by any min-
8 eral leasing law or any regulation, order, or lease
9 under such a law, with the intent to defraud;

10 “(C) fail or refuse to make any royalty payment
11 by the date required by any mineral leasing law or
12 any regulation, order, or lease under such a law,
13 with the intent to defraud; or

14 “(D) prepare, maintain, or submit any false, in-
15 accurate, or misleading report, notice, affidavit,
16 record, data, or other written information or filing
17 related to royalty payments that is required under
18 any mineral leasing law or regulation issued under
19 any mineral leasing law, with the intent to defraud.

20 “(2) A person who violates paragraph (1) shall be lia-
21 ble—

22 “(A) in the case of a violation of subparagraph
23 (B) or (C) of paragraph (1) for an amount equal to
24 3 times the royalty the person fails or refuses to
25 pay, plus interest on that trebled amount measured

1 from the first date the royalty payment was due;
2 and

3 “(B) in the case of any violation, for a civil
4 penalty of—

5 “(i) except as provided in clause (ii), up to
6 \$25,000 per violation for each day the violation
7 continues; or

8 “(ii) if the person failed or refused to
9 make a payment of royalty owed in an amount
10 less than \$25,000, an amount equal to 150 per-
11 cent of the royalty owed that was not paid.

12 “(3) Paragraph (2) shall not apply to a violation of
13 paragraph (1) if the person who commits the violation,
14 within 30 days of knowing of the violation—

15 “(A) reports the violation to the Secretary or a
16 representative designated by the Secretary; and

17 “(B) corrects the violation.

18 “(b) LEASE ADMINISTRATION VIOLATIONS.—Any
19 person who—

20 “(1) fails to notify the Secretary of—

21 “(A) any designation by the person under
22 section 102(a); or

23 “(B) any other assignment of obligations
24 or responsibilities of the person under a lease;

25 “(2) fails or refuses to permit—

1 “(A) lawful entry;

2 “(B) inspection, including any inspection
3 authorized by section 108; or

4 “(C) audit, including any failure or refusal
5 to promptly tender requested documents;

6 “(3) fails or refuses to comply with subsection
7 102(b)(3) (relating to notification regarding begin-
8 ning or resumption of production); or

9 “(4) fails to correctly report and timely provide
10 operations or financial records necessary for the Sec-
11 retary or any authorized designee of the Secretary to
12 accomplish lease management responsibilities,
13 shall be liable for a penalty of up to \$10,000 per violation
14 for each day such violation continues.

15 “(c) THEFT.—Any person who—

16 “(1) knowingly or willfully takes or removes,
17 transports, uses or diverts any oil or gas from any
18 lease site without having valid legal authority to do
19 so; or

20 “(2) purchases, accepts, sells, transports, or
21 conveys to another, any oil or gas knowing or having
22 reason to know that such oil or gas was stolen or
23 unlawfully removed or diverted,

24 shall be liable for a penalty of up to \$25,000 per violation
25 for each day such violation continues without correction.

1 “(d) ADMINISTRATIVE APPEAL.—(1) Any determina-
2 tion by the Secretary or a designee of the Secretary of
3 the amount of any royalties or civil penalties owed under
4 subsection (a), (b), or (c) shall be final, unless within 120
5 days after notification by the Secretary or designee the
6 person liable for such amount files an administrative ap-
7 peal in accordance with regulations issued by the Sec-
8 retary.

9 “(2) If a person files an administrative appeal pursu-
10 ant to paragraph (1), the Secretary or designee shall make
11 a final determination in accordance with the regulations
12 referred to in paragraph (1).

13 “(e) DEDUCTION.—The amount of any penalty under
14 this section, as finally determined may be deducted from
15 any sums owing by the United States to the person
16 charged.

17 “(f) COMPROMISE AND REDUCTION.—On a case-by-
18 case basis the Secretary may compromise or reduce civil
19 penalties under this section.

20 “(g) NOTICE.—Notice under this subsection (a) shall
21 be by personal service by an authorized representative of
22 the Secretary or by registered mail. Any person may, in
23 the manner prescribed by the Secretary, designate a rep-
24 resentative to receive any notice under this subsection.

1 “(h) RECORD OF DETERMINATION.—In determining
2 the amount of such penalty, or whether it should be remit-
3 ted or reduced, and in what amount, the Secretary shall
4 state on the record the reasons for his determinations.

5 “(i) JUDICIAL REVIEW.—Any person who has re-
6 quested a hearing in accordance with subsection (e) within
7 the time the Secretary has prescribed for such a hearing
8 and who is aggrieved by a final order of the Secretary
9 under this section may seek review of such order in the
10 United States district court for the judicial district in
11 which the violation allegedly took place. Review by the dis-
12 trict court shall be de novo. Such an action shall be barred
13 unless filed within 90 days after the Secretary’s final
14 order.

15 “(j) FAILURE TO PAY.—If any person fails to pay
16 an assessment of a civil penalty under this Act—

17 “(1) after the order making the assessment has
18 become a final order and if such person does not file
19 a petition for judicial review of the order in accord-
20 ance with subsection (j), or

21 “(2) after a court in an action brought under
22 subsection (j) has entered a final judgment in favor
23 of the Secretary,

24 the court shall have jurisdiction to award the amount as-
25 sessed plus interest from the date of the expiration of the

1 90-day period referred to in subsection (j). Judgment by
2 the court shall include an order to pay.

3 “(k) RELATIONSHIP TO MINERAL LEASING ACT.—
4 No person shall be liable for a civil penalty under sub-
5 section (a) or (b) for failure to pay any rental for any
6 lease automatically terminated pursuant to section 31 of
7 the Mineral Leasing Act.

8 “(l) TOLLING OF STATUTES OF LIMITATION.—(1)
9 Any determination by the Secretary or a designee of the
10 Secretary that a person has violated subsection (a), (b)(2),
11 or (b)(4) shall toll any applicable statute of limitations for
12 all oil and gas leases held or operated by such person, until
13 the later of—

14 “(A) the date on which the person corrects the
15 violation and certifies that all violations of a like na-
16 ture have been corrected for all of the oil and gas
17 leases held or operated by such person; or

18 “(B) the date a final, nonappealable order has
19 been issued by the Secretary or a court of competent
20 jurisdiction.

21 “(2) A person determined by the Secretary or a des-
22 ignee of the Secretary to have violated subsection (a),
23 (b)(2), or (b)(4) shall maintain all records with respect
24 to the person’s oil and gas leases until the later of—

1 “(A) the date the Secretary releases the person
2 from the obligation to maintain such records; and

3 “(B) the expiration of the period during which
4 the records must be maintained under section
5 103(b).

6 “(m) STATE SHARING OF PENALTIES.—Amounts re-
7 ceived by the United States in an action brought under
8 section 3730 of title 31, United States Code, that arises
9 from any underpayment of royalties owed to the United
10 States under any lease shall be treated as royalties paid
11 to the United States under that lease for purposes of the
12 mineral leasing laws and the Land and Water Conserva-
13 tion Fund Act of 1965 (16 U.S.C. 4601–4 et seq.).”.

14 (b) SHARED CIVIL PENALTIES.—Section 206 of the
15 Federal Oil and Gas Royalty Management Act of 1982
16 (30 U.S.C. 1736) is amended—

17 (1) by inserting “trebled royalties or” after “50
18 per centum of any”; and

19 (2) by striking the second sentence.

20 **SEC. 502. AMENDMENTS TO DEFINITIONS.**

21 Section 3 of the Federal Oil and Gas Royalty Man-
22 agement Act of 1982 (30 U.S.C. 1702) is amended—

23 (1) in paragraph (20)(A), by striking “: *Pro-*
24 *vided, That*” and all that follows through “subject of
25 the judicial proceeding”;

1 (2) in paragraph (20)(B), by striking “(with
2 written notice to the lessee who designated the des-
3 ignee)”;

4 (3) in paragraph (23)(A), by striking “(with
5 written notice to the lessee who designated the des-
6 ignee)”;

7 (4) by amending paragraph (24) to read as fol-
8 lows:

9 “(24) ‘designee’ means any person who pays,
10 offsets, or credits monies, makes adjustments, re-
11 quests and receives refunds, or submits reports with
12 respect to payments a lessee must make pursuant to
13 section 102(a);”;

14 (5) in paragraph (25)(B), by striking “(subject
15 to the provisions of section 102(a) of this Act)”;

16 (6) in paragraph (26), by striking “(with notice
17 to the lessee who designated the designee)”.

18 **SEC. 503. INTEREST.**

19 (a) ESTIMATED PAYMENTS; INTEREST ON AMOUNT
20 OF UNDERPAYMENT.—Section 111(j) of the Federal Oil
21 and Gas Royalty Management Act of 1982 (30 U.S.C.
22 1721(j)) is amended by striking “If the estimated pay-
23 ment exceeds the actual royalties due, interest is owed on
24 the underpayment.”.

1 (b) OVERPAYMENTS.—Section 111 of the Federal Oil
2 and Gas Royalty Management Act of 1982 (30 U.S.C.
3 1721) is amended by striking subsections (h) and (i).

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall be effective one year after the date of
6 enactment of this Act.

7 **SEC. 504. OBLIGATION PERIOD.**

8 Section 115(c) of the Federal Oil and Gas Royalty
9 Management Act of 1982 (30 U.S.C. 1724(c)) is amended
10 by adding at the end the following:

11 “(3) ADJUSTMENTS.—In the case of an adjust-
12 ment under section 111A(a) in which a recoupment
13 by the lessee results in an underpayment of an obli-
14 gation, for purposes of this Act the obligation be-
15 comes due on the date the lessee or its designee
16 makes the adjustment.”.

17 **SEC. 505. NOTICE REGARDING TOLLING AGREEMENTS AND**
18 **SUBPOENAS.**

19 (a) TOLLING AGREEMENTS.—Section 115(d)(1) of
20 the Federal Oil and Gas Royalty Management Act of 1982
21 (30 U.S.C. 1724(d)(1)) is amended by striking “(with no-
22 tice to the lessee who designated the designee)”.

23 (b) SUBPOENAS.—Section 115(d)(2)(A) of the Fed-
24 eral Oil and Gas Royalty Management Act of 1982 (30
25 U.S.C. 1724(d)(2)(A)) is amended by striking “(with no-

1 tice to the lessee who designated the designee, which notice
2 shall not constitute a subpoena to the lessee)”.
3

3 **SEC. 506. LIABILITY FOR ROYALTY PAYMENTS.**

4 Section 102(a) of the Federal Oil and Gas Royalty
5 Management Act of 1982 (30 U.S.C. 1712(a)) is amended
6 to read as follows:

7 “(a) In order to increase receipts and achieve effec-
8 tive collections of royalty and other payments, a lessee who
9 is required to make any royalty or other payment under
10 a lease or under the mineral leasing laws, shall make such
11 payment in the time and manner as may be specified by
12 the Secretary or the applicable delegated State. Any per-
13 son who pays, offsets or credits monies, makes adjust-
14 ments, requests and receives refunds, or submits reports
15 with respect to payments the lessee must make is the les-
16 see’s designee under this Act. Notwithstanding any other
17 provision of this Act to the contrary, a designee shall be
18 liable for any payment obligation of any lessee on whose
19 behalf the designee pays royalty under the lease. The per-
20 son owning operating rights in a lease and a person own-
21 ing legal record title in a lease shall be liable for that per-
22 son’s pro rata share of payment obligations under the
23 lease.”.

1 **SEC. 507. REQUIREMENT TO PROVIDE NOTIFICATION OF**
2 **COMPLIANCE REVIEW.**

3 (a) REQUIREMENT.—Section 101 of the Federal Oil
4 and Gas Royalty Management Act of 1982 (30 U.S.C.
5 1711) is amended by adding at the end the following new
6 subsection:

7 “(d) NOTIFICATION OF COMPLIANCE REVIEW.—The
8 Secretary shall, before completion of a compliance review,
9 provide notice of the review to each lessee and each des-
10 ignee whose obligations are the subject of the review.”.

11 (b) COMPLIANCE REVIEW DEFINED.—Section 3 of
12 the Federal Oil and Gas Royalty Management Act of 1982
13 (30 U.S.C. 1702) is further amended by redesignating
14 paragraphs (21) through (33) as paragraphs (22) through
15 (34), respectively, and by inserting after paragraph (20)
16 the following new paragraph:

17 “(21) ‘compliance review’—

18 “(A) subject to subparagraph (B), means
19 an analysis by the Secretary, other than an
20 audit, to determine the reasonableness of roy-
21 alty and production data reported for a lease;
22 and

23 “(B) does not include an automated error
24 check performed without human input;”.

1 **SEC. 508. LIMITATION ON ADJUSTMENTS AFTER AUDIT.**

2 Section 111A(a)(3) of the Federal Oil and Gas Roy-
3 alty Management Act of 1982 (30 U.S.C. 1721a(a)(3))
4 is amended by inserting “(A)” after “(3)”, and by striking
5 the last sentence and inserting the following:

6 “(B) Except as provided in subparagraph (C), no ad-
7 justment may be made with respect to an obligation that
8 is the subject of an audit or compliance review after com-
9 pletion of the audit or compliance review, respectively, un-
10 less such adjustment is approved by the Secretary or the
11 applicable delegated State, as appropriate.

12 “(C) If an overpayment is identified during an audit,
13 then the Secretary or the applicable delegated State, as
14 appropriate, shall allow a credit or refund in the amount
15 of the overpayment.”.

16 **SEC. 509. PILOT PROJECT FOR AUTOMATIC TRANSMISSION**
17 **OF PRODUCTION DATA.**

18 (a) IN GENERAL.—Within 6 months after the date
19 of enactment of this Act, the Secretary shall begin con-
20 ducting a pilot project for the automatic transmission of
21 data regarding production of oil and gas on the Outer
22 Continental Shelf under Federal leases, from royalty sales
23 meters and subsea wellhead meters.

24 (b) REPORT.—The Secretary shall submit to Con-
25 gress a report on progress of the pilot project within two
26 years after the date of enactment of this Act.

1 **SEC. 510. REQUIREMENT TO SPECIFY APPROPRIATIONS RE-**
2 **QUESTED FOR THE STATE AND TRIBAL ROY-**
3 **ALTY AUDIT COMMITTEE.**

4 Section 1105(a) of title 31, United States Code, is
5 amended by adding at the end the following new para-
6 graph:

7 “(36) a separate statement of the amount of
8 appropriations requested for the State and Tribal
9 Royalty Audit Committee.”.

10 **SEC. 511. RESERVATION FOR INSPECTOR GENERAL OF**
11 **FUNDS ARISING FROM ACTIVITIES OF OFFICE**
12 **OF THE INSPECTOR GENERAL.**

13 Notwithstanding section 3302 of title 31, United
14 States Code, or any other statute affecting the crediting
15 of collections, there shall be available to an Office of In-
16 spector General of the Department of the Interior estab-
17 lished under the Inspector General Act of 1978 (5 U.S.C.
18 App.) 1 percent of all amounts collected pursuant to civil
19 debt collection investigative activities of that Office of In-
20 spector General. Such amounts so available to an Office
21 of Inspector General shall remain available until expended
22 and shall be used first, for paying the costs of inves-
23 tigating civil and criminal debt-collection cases, and, there-
24 after, for debt-collection-related personnel, and adminis-
25 trative and investigative expenses.

1 **SEC. 512. PENALTY FOR LATE OR INCORRECT REPORTING**
2 **OF DATA.**

3 (a) IN GENERAL.—The Secretary shall issue regula-
4 tions by not later than 1 year after the date of enactment
5 of this Act that establish a civil penalty for late or incor-
6 rect reporting of data under the Federal Oil and Gas Roy-
7 alty Management Act of 1982 (30 U.S.C. 1701 et seq.).

8 (b) AMOUNT.—The amount of the civil penalty shall
9 be—

10 (1) an amount (subject to paragraph (2)) that
11 the Secretary determines is sufficient to ensure filing
12 of data in accordance with that Act; and

13 (2) not less than \$10 for each failure to file
14 correct data in accordance with that Act.

15 (c) CONTENT OF REGULATIONS.—Except as provided
16 in subsection (b), the regulations under issued under this
17 section shall be substantially similar to part 216.40 of title
18 30, Code of Federal Regulations, as most recently in effect
19 before the date of enactment of this Act.

20 **SEC. 513. REQUIRED RECORDKEEPING.**

21 Within 90 days after the date of enactment of this
22 Act, the Secretary shall amend the rule concerning re-
23 quired recordkeeping of natural gas measurement data as
24 set forth in part 250.1203 of title 30, Code of Federal
25 Regulations (as in effect on the date of enactment of this
26 Act), to include operators and other persons involved in

1 the transporting, purchasing, or selling of gas under the
2 requirements of that rule, under the authority provided
3 in section 103 of the Federal Oil and Gas Royalty Man-
4 agement Act (30 U.S.C. 1713).

5 **SEC. 514. LIMITATION ON ROYALTY IN-KIND PROGRAM.**

6 (a) MINERAL LEASING ACT.—Section 36 of the Min-
7 eral Leasing Act (30 U.S.C. 192) is amended by inserting
8 before the period at the end of the first paragraph the
9 following: “, except that the Secretary shall not conduct
10 a regular program to take oil and gas lease royalties in
11 oil or gas”.

12 (b) OUTER CONTINENTAL SHELF LANDS ACT.—Sec-
13 tion 27(a) of the Outer Continental Shelf Lands Act (43
14 U.S.C. 1353(a)) is amended by striking so much as pre-
15 cedes paragraph (2) and inserting the following:

16 **“SEC. 27. FEDERAL PURCHASE AND DISPOSITION OF OIL
17 AND GAS.**

18 “(a)(1) Except as may be necessary to comply with
19 the provisions of sections 6 and 7 of this Act, all royalties
20 or net profit shares, or both, accruing to the United States
21 under any oil and gas lease issued or maintained in ac-
22 cordance with this Act, shall, on demand of the Secretary,
23 be paid in oil or gas, except that the Secretary shall not
24 conduct a regular program to take oil and gas lease royal-
25 ties in oil or gas.”.

1 **TITLE VI—ONSHORE REFORMS**
2 **Subtitle A—Onshore Energy**
3 **Leasing Program**

4 **SEC. 601. ONSHORE ENERGY LEASING PROGRAM.**

5 The Mineral Leasing Act (30 U.S.C. 181 et seq.) is
6 amended by redesignating section 44 as section 46, and
7 by inserting after section 43 the following:

8 **“SEC. 44. ONSHORE ENERGY 5-YEAR LEASING PROGRAM.**

9 “(a) IN GENERAL.—Beginning in 2012, and every 5
10 years thereafter, the Secretary, acting through the Direc-
11 tor of the Office of Federal Energy and Minerals Leasing
12 and in accordance with subsections (d) and (f), shall pre-
13 pare, periodically revise, and maintain a 5-year renewable
14 and nonrenewable energy resource leasing program for the
15 public land States, to implement the policies of this Act
16 and the Federal Lands and Resources Energy Develop-
17 ment Act of 2009. The leasing program shall consist of
18 a schedule of proposed lease sales indicating, as precisely
19 as possible, the size, timing, and location of leasing activ-
20 ity that the Secretary determines will best meet national
21 energy needs for the 5-year period following its approval
22 or reapproval. Such leasing program shall be prepared in
23 accordance with Strategic Plans approved under section
24 303 of the Federal Lands and Resources Energy Develop-
25 ment Act of 2009.

1 “(b) CONTENTS.—Each leasing program shall iden-
2 tify—

3 “(1) those areas in each public land State that
4 are subject to the leasing program;

5 “(2) any environmental stipulations, timing lim-
6 itations, or surface occupancy restrictions for those
7 areas identified under paragraph (1);

8 “(3) the recommended frequency the lands
9 identified under paragraph (1) should be offered for
10 lease; and

11 “(4) the earliest date that the lands identified
12 under paragraph (1) shall be offered for lease.

13 “(c) LEASING ACTIVITIES.—

14 “(1) Each leasing program under this section
15 shall provide that leasing activities shall be con-
16 ducted to assure receipt of fair market value for the
17 lands leased and the rights conveyed by the Federal
18 Government.

19 “(2) The Secretary shall ensure that there is no
20 less than one lease sale each year in any public land
21 State with lands identified as appropriate for leasing
22 under each leasing program under this section.

23 “(d) APPROPRIATIONS ESTIMATES.—The leasing
24 program shall include estimates of the appropriations and
25 staff required to—

1 “(1) obtain resource information and any other
2 information needed to prepare the leasing program
3 required by this section;

4 “(2) analyze and interpret the exploratory data
5 and any other information that may be compiled
6 under the authority of this Act;

7 “(3) conduct environmental studies and prepare
8 any environmental impact statement required in ac-
9 cordance with this Act and with section 102(2)(C) of
10 the National Environmental Policy Act of 1969 (42
11 U.S.C. 4332(2)(C)); and

12 “(4) supervise operations conducted pursuant to
13 each lease in the manner necessary to assure due
14 diligence in the exploration and development of the
15 lease area and compliance with the requirement of
16 applicable laws and regulations and with the terms
17 of the lease.

18 “(e) PROPOSED LEASING PROGRAM.—

19 “(1) During the preparation of any proposed
20 leasing program under this section, the Secretary
21 shall invite and consider suggestions for such pro-
22 gram from any interested Federal agency, including
23 the Attorney General, in consultation with the Fed-
24 eral Trade Commission, and from the Governor of
25 any State or tribe that may become an affected

1 State or tribe under such proposed program. The
2 Secretary may also invite or consider any sugges-
3 tions from the executive of any affected local govern-
4 ment in such an affected State that have been pre-
5 viously submitted to the Governor of such State, and
6 from any other person.

7 “(2) After such preparation and at least 60
8 days prior to publication of a proposed leasing pro-
9 gram in the Federal Register pursuant to paragraph
10 (3), the Secretary shall submit a copy of such pro-
11 posed program to the Governor of each affected
12 State for review and comment. The Governor may
13 solicit comments from those executives of local gov-
14 ernments in his State which the Governor, in the
15 Governor’s discretion, determines will be affected by
16 the proposed program. If any comment by such Gov-
17 ernor is received by the Secretary at least 15 days
18 prior to submission to the Congress pursuant to
19 such paragraph (3) and includes a request for any
20 modification of such proposed program, the Sec-
21 retary shall reply in writing, granting or denying
22 such request in whole or in part, or granting such
23 request in such modified form as the Secretary con-
24 siders appropriate, and stating the Secretary’s rea-
25 sons therefor. All such correspondence between the

1 Secretary and Governor of any affected State, to-
2 gether with any additional information and data re-
3 lating thereto, shall accompany such proposed pro-
4 gram when it is submitted to the Congress.

5 “(3) Within 6 months after the date of publica-
6 tion of all Strategic Plans required under section
7 303 of the Federal Lands and Resources Energy
8 Development Act of 2009, the Secretary shall submit
9 a proposed renewable and nonrenewable energy re-
10 source leasing program to the Congress, the Attor-
11 ney General, and the Governors of affected States,
12 and shall publish such proposed program in the Fed-
13 eral Register. Each Governor shall, upon request,
14 submit a copy of the proposed leasing program to
15 the executive of any local government affected by the
16 proposed program.

17 “(f) SUBMISSION AND APPROVAL OF LEASING PRO-
18 GRAM.—

19 “(1) Within 90 days after the date of publica-
20 tion of a proposed leasing program, the Attorney
21 General may, after consultation with the Federal
22 Trade Commission, submit comments on the antici-
23 pated effects of such proposed program upon com-
24 petition. Any State, tribe, local government, or other

1 person may submit comments and recommendations
2 as to any aspect of such proposed program.

3 “(2) At least 60 days prior to approving a pro-
4 posed leasing program as a final leasing program,
5 the Secretary shall submit it to the President and
6 the Congress, together with any comments received.
7 Such submission shall indicate why any specific rec-
8 ommendation of the Attorney General or a State,
9 tribe, or local government was not accepted.

10 “(3) The Secretary shall approve a final leasing
11 program under this section by not later than 6
12 months after the date of publication of a proposed
13 leasing program. If the Secretary fails to approve a
14 program before such expiration, the proposed pro-
15 gram submitted under paragraph (2) is deemed to
16 have been approved by the Secretary. After the leas-
17 ing program has been approved by the Secretary, no
18 lease shall be issued unless it is for an area included
19 in the approved leasing program and unless it con-
20 tains provisions consistent with the approved leasing
21 program, except that leasing shall be permitted to
22 continue until such program is approved and for so
23 long thereafter as such program is under judicial or
24 administrative review pursuant to the provisions of
25 this Act.

1 “(g) REVIEW AND REVISION.—The Secretary shall
2 review the leasing program approved under this section
3 at least once each year. The Secretary may revise and re-
4 approve such program at any time, and such revision and
5 reapproval, except in the case of a revision that is not sig-
6 nificant, shall be in the same manner as originally devel-
7 oped.

8 “(h) REGULATIONS.—The Secretary shall, by regula-
9 tion, establish procedures for—

10 “(1) receipt and consideration of nominations
11 for any area to be offered for lease or to be excluded
12 from leasing, if such area has been determined by
13 the Secretary of the Interior, and for Forest Service
14 lands by the Secretary of Agriculture, to be appro-
15 priate for renewable and nonrenewable energy re-
16 source leasing under a comprehensive energy land
17 use plan;

18 “(2) public notice of and participation in devel-
19 opment of the leasing program;

20 “(3) review by State, tribal, and local govern-
21 ments that may be impacted by the proposed leas-
22 ing; and

23 “(4) periodic consultation by the Secretary of
24 the Interior and the Secretary of Agriculture with
25 State, tribal, and local governments, renewable or

1 nonrenewable energy resource lessees and permit-
2 tees, and representatives of other individuals or or-
3 ganizations engaged in activity in or on the public
4 lands.

5 “(i) DATA AND OTHER INFORMATION.—The Sec-
6 retary may obtain from public sources, or purchase from
7 private sources, any survey, data, report, or other informa-
8 tion (including interpretations of such data, survey, re-
9 port, or other information) that may be necessary to assist
10 the Secretary in preparing any environmental impact
11 statement for purposes of this section and in making other
12 evaluations required by this section. Data and other infor-
13 mation of a classified nature provided to the Secretary
14 under this subsection shall remain confidential for such
15 period of time as agreed to by the head of the department
16 or agency from whom the information is requested. The
17 Secretary shall maintain the confidentiality of all privi-
18 leged or proprietary data or information for such period
19 of time as is provided for in this Act, established by regu-
20 lation, or agreed to by the parties.

21 “(j) INFORMATION FROM FEDERAL DEPARTMENTS
22 AND AGENCIES.—The heads of all Federal departments
23 and agencies shall provide the Secretary with any non-
24 privileged or nonproprietary information the Secretary re-
25 quests to assist the Secretary in preparing the leasing pro-

1 gram, and may provide the Secretary with any privileged
2 or proprietary information the Secretary requests to assist
3 the Secretary in preparing the leasing program. Privileged
4 or proprietary information provided to the Secretary under
5 this subsection shall remain confidential for such period
6 of time as agreed to by the head of the department or
7 agency from whom the information is requested. In addi-
8 tion, the Secretary shall utilize the existing capabilities
9 and resources of such Federal departments and agencies
10 by appropriate agreement.

11 “(k) COORDINATION AND CONSULTATION WITH AF-
12 FECTED STATES, TRIBES, AND LOCAL GOVERNMENTS.—

13 “(1) Any Governor of any affected State, any
14 tribe, or the executive of any affected local govern-
15 ment in such State may submit recommendations to
16 the Secretary regarding the size, timing, or location
17 of a proposed lease sale under the leasing program
18 under this section. Prior to submitting recommenda-
19 tions to the Secretary, the executive of any affected
20 local government in any affected State must forward
21 his recommendations to the Governor of such State.

22 “(2) Such recommendations shall be submitted
23 within 60 days after notice of such proposed lease
24 sale.

1 “(3) The Secretary shall accept recommenda-
2 tions of the Governor and may accept recommenda-
3 tions of the executive of any affected local govern-
4 ment and affected tribes if the Secretary determines,
5 after having provided the opportunity for consulta-
6 tion, that they provide for a reasonable balance be-
7 tween the national interest and the well-being of the
8 citizens of the affected State and tribes. For pur-
9 poses of this paragraph, a determination of the na-
10 tional interest shall be based on the desirability of
11 producing energy from renewable or nonrenewable
12 energy resources in a balanced manner. The Sec-
13 retary shall communicate to the Governor and tribes,
14 in writing, the reasons for the Secretary’s deter-
15 mination to accept or reject such Governor’s rec-
16 ommendations, or to implement any alternative
17 means identified in consultation with the Governor
18 to provide for a reasonable balance between the na-
19 tional interest and the well-being of the citizens of
20 the affected State and tribe.

21 “(4) The Secretary’s determination that rec-
22 ommendations provide, or do not provide, for a rea-
23 sonable balance between the national interest and
24 the well-being of the citizens of the affected State
25 and tribe shall be final and shall not, alone, be a

1 basis for invalidation of a proposed lease sale or a
2 proposed development and production plan in any
3 suit or judicial review, unless found to be arbitrary
4 or capricious.

5 “(5) The Secretary may enter into cooperative
6 agreements with affected States for purposes of this
7 section, consistent with this Act and other applicable
8 Federal law. Such agreements may include the shar-
9 ing of information, the joint utilization of available
10 expertise, the facilitating of permitting procedures,
11 joint planning and review, and the formation of joint
12 surveillance and monitoring arrangements to carry
13 out applicable Federal and State laws, regulations,
14 and stipulations relevant to onshore oil and gas op-
15 erations.

16 “(1) ENVIRONMENTAL STUDIES.—

17 “(1) To the extent that other Federal agencies
18 have prepared environmental impact statements, are
19 conducting studies, or are monitoring the affected
20 environment, the Secretary may utilize the informa-
21 tion derived therefrom in lieu of directly conducting
22 such activities for purposes of this section. The Sec-
23 retary may also utilize information obtained from
24 any State, tribal, or local government, or from any
25 person, for the purposes of this section. For the pur-

1 pose of carrying out the Secretary’s responsibilities
2 under this section, the Secretary may by agreement
3 utilize, with or without reimbursement, the services,
4 personnel, or facilities of any Federal, State, or local
5 government agency.

6 “(2) The Secretary shall consider available rel-
7 evant environmental information in making decisions
8 (including those relating to exploration plans, drill-
9 ing permits, and development and production plans),
10 in developing appropriate regulations, and in issuing
11 operating orders under this section.

12 “(m) ONLINE DATABASE.—The Secretary shall es-
13 tablish, within 2 years after the date of enactment of this
14 section, and maintain an online database that provides
15 geospatial information on the location, type of energy re-
16 source, and timing of anticipated lease sales in all public
17 land States.

18 “(n) DEFINITIONS.—In this section the definitions in
19 section 2 of the Federal Lands and Resources Energy De-
20 velopment Act of 2009 apply.”.

21 **Subtitle B—Other Reforms**

22 **SEC. 611. DILIGENT DEVELOPMENT.**

23 (a) REGULATIONS.—The Secretary shall issue regula-
24 tions within 180 days after the date of enactment of this
25 Act that define “diligent development” for purposes of all

1 new leases issued under the Mineral Leasing Act (30
2 U.S.C. 181 et seq.) and all new leases issued under the
3 Outer Continental Shelf Lands Act (43 U.S.C. 1331 et
4 seq.). Such regulations shall—

5 (1) include benchmarks for oil and gas develop-
6 ment that will ensure that leaseholders produce oil
7 and gas from each lease within the original term of
8 the lease; and

9 (2) require each leaseholder to submit to the
10 Secretary a diligent development plan showing how
11 the lessee will meet the benchmarks.

12 (b) FAILURE TO COMPLY WITH REQUIREMENTS.—
13 If any person fails to comply with the requirements of any
14 regulation issued under this section, or any order issued
15 to implement such a regulation, with respect to a lease,
16 such lease may be terminated by the Secretary.

17 **SEC. 612. LEASE TERMS.**

18 (a) LEASES UNDER MINERAL LEASING ACT.—Sec-
19 tion 17(e) of the Mineral Leasing Act (33 U.S.C. 226(e))
20 is amended to read as follows:

21 “(e) LEASE TERM AND RENEWAL.—

22 “(1) IN GENERAL.—Leases issued under this
23 section shall—

1 “(A) be for an initial period of 5 years,
2 and may be renewed for additional 1-year peri-
3 ods, subject to subparagraphs (B) and (C);

4 “(B) not be renewed for an additional pe-
5 riod, unless the Secretary determines that as of
6 the date of the expiration of the preceding pe-
7 riod—

8 “(i) production of oil or gas is occur-
9 ring under the lease; or

10 “(ii) the lessee is diligently developing
11 the lease as required by regulations under
12 section 611 of the Federal Lands and Re-
13 sources Energy Development Act of 2009,
14 and additional time is required to initiate
15 production; and

16 “(C) be subject to a rental for each such
17 additional period that is not less than double
18 the rental rate that applied for the last year of
19 the initial period.

20 “(2) LESSEE DEFINED.—In this subsection the
21 term ‘lessee’ includes any person that controls, is
22 controlled by, or is in or under common control with,
23 a lessee.”.

24 (b) LEASES UNDER MINERAL LEASING ACT FOR AC-
25 QUIRED LANDS.—The Mineral Leasing Act for Acquired

1 Lands Act (30 U.S.C. 351 et seq.) is amended by adding
2 at the end the following:

3 **“SEC. 12. LEASE TERMS.**

4 “(a) IN GENERAL.—Leases issued under this section
5 shall—

6 “(1) be for an initial period of 5 years, and may
7 be renewed for additional 1-year periods, subject to
8 paragraphs (2) and (3);

9 “(2) not be renewed for an additional period,
10 unless the Secretary determines that as of the date
11 of the expiration of the preceding period—

12 “(A) production of oil or gas is occurring
13 under the lease; or

14 “(B) the lessee is diligently developing the
15 lease as required by regulations under section
16 611 of the Federal Lands and Resources En-
17 ergy Development Act of 2009, and additional
18 time is required to initiate production; and

19 “(3) be subject to a rental for each such addi-
20 tional period that is not less than double the rental
21 rate that applied for the last year of the initial pe-
22 riod.

23 “(b) LESSEE DEFINED.—In this section the term
24 ‘lessee’ includes any person that controls, is controlled by,
25 or is in or under common control with, a lessee.”.

1 **SEC. 613. REPORTING REQUIREMENTS.**

2 (a) BIENNIAL REPORTS.—The Secretary shall re-
3 quire biennial reports from each Federal oil and gas les-
4 see that holds a non-producing lease on the actions the
5 lessee has taken to diligently develop each Federal lease
6 the lessee holds.

7 (b) ELECTRONIC DATABASE.—The Secretary shall
8 establish and maintain an electronic database that is avail-
9 able to the public that identifies each Federal oil and gas
10 lease, each lessee under such lease, the acreage held by
11 each such lessee, and the progress made toward produc-
12 tion under each such lease.

13 **SEC. 614. ADDITIONAL NOTICE REQUIREMENTS.**

14 Section 17(f) of the Mineral Leasing Act (30 U.S.C.
15 226(f)) is amended by inserting “(1)” before the first sen-
16 tence, and by adding at the end the following new para-
17 graph:

18 “(2) At least 45 days before offering lands for lease
19 under this section, the Secretary shall provide notice of
20 the proposed leasing activity in writing to the holders of
21 special recreation permits for commercial use, competitive
22 events, and other organized activities on the lands being
23 offered for lease.”.

1 **SEC. 615. OIL AND GAS LEASING SYSTEM.**

2 (a) ONSHORE OIL AND GAS LEASING.—Section 17(a)
3 of the Mineral Leasing Act (30 U.S.C. 226(a)) is amended
4 to read as follows:

5 “(a)(1) All lands subject to disposition under this Act
6 that are known or believed to contain oil or gas deposits
7 may be leased by the Secretary.

8 “(2) Leasing activities under this Act shall be con-
9 ducted to assure receipt of fair market value for the lands
10 leased and the rights conveyed by the Federal Govern-
11 ment.”.

12 (b) COMPETITIVE BIDDING.—Section 17(b) of the
13 Mineral Leasing Act (30 U.S.C. 226(b)), is amended by
14 striking so much as precedes paragraph (2) and inserting
15 the following:

16 “(b)(1)(A) All lands to be leased shall be leased as
17 provided in this paragraph to the highest responsible
18 qualified bidder by competitive bidding under general reg-
19 ulations in units of not more than 2,560 acres, except in
20 Alaska, where units shall be not more than 5,760 acres.
21 Such units shall be as nearly compact as possible. Lease
22 sales shall be conducted by sealed bid. Lease sales shall
23 be held for a State on a statewide basis where eligible
24 lands in such States are available no more than 3 times
25 per year per State, unless the Secretary of the Interior
26 determines additional sales are necessary, pursuant to sec-

1 tion 44. A lease shall be conditioned upon the payment
2 of a royalty at a rate of not less than 18.75 percent in
3 amount or value of the production removed or sold from
4 the lease. The Secretary shall accept the highest bid from
5 a responsible qualified bidder that is equal to or greater
6 than the national minimum acceptable bid with evaluation
7 of the value of the lands proposed for lease. Leases shall
8 be issued within 60 days following payment by the success-
9 ful bidder of the remainder of the bonus bid, if any, and
10 the annual rental for the first lease year. All bids for less
11 than the national minimum acceptable bid shall be re-
12 jected.

13 “(B)(i) The national minimum acceptable bid shall
14 be \$2.50 per acre, except that the Secretary may establish
15 a higher minimum acceptable bid for leases of areas in
16 a State for all leases awarded after the 2-year period be-
17 ginning on the date of enactment of the Federal Lands
18 and Resources Energy Development Act of 2009, if the
19 Secretary finds that such a higher amount is necessary—

20 “(I) to enhance financial returns to the United
21 States; and

22 “(II) to promote more efficient management of
23 oil and gas resources on Federal lands.

24 “(ii) The proposal or promulgation of any regulation
25 to establish a higher minimum acceptable bid for a State

1 shall not be considered a major Federal action that is sub-
2 ject to the requirements of section 102(2)(C) of the Na-
3 tional Environmental Policy Act of 1969.”.

4 (c) RENTALS.—Section 17(d) of the Mineral Leasing
5 (30 U.S.C. 226(d)) is amended to read as follows:

6 “(d)(1) During the 2-year period beginning on the
7 date of enactment of the Federal Lands and Resources
8 Energy Development Act of 2009, all leases issued under
9 this section shall be conditioned upon payment by the les-
10 see of a rental of not less than \$2.50 per acre per year
11 for the first through fifth years of the lease and not less
12 than \$3 per acre per year for each year thereafter. After
13 the end of such 2-year period, the Secretary may establish
14 higher rental rates for all subsequent years, if the Sec-
15 retary finds that such action is necessary—

16 “(A) to enhance financial returns to the United
17 States; and

18 “(B) to promote more efficient management of
19 oil and gas and alternative energy resources on Fed-
20 eral lands.

21 “(2) A minimum royalty in lieu of rental of not less
22 than the rental that otherwise would be required for that
23 lease year shall be payable at the expiration of each lease
24 year beginning on or after a discovery of oil or gas in pay-
25 ing quantities on the land leased.”.

1 (d) ELIMINATION OF NONCOMPETITIVE LEASING.—

2 The Mineral Leasing Act is amended—

3 (1) in section 17(b) (30 U.S.C. 226(b)), by
4 striking paragraph (3);

5 (2) in section 17 (30 U.S.C. 226) by striking
6 subsection (c);

7 (3) in section 17(e) (30 U.S.C. 226(e))—

8 (A) by striking “Competitive and non-
9 competitive leases” and inserting “Leases”; and

10 (B) by striking “competitive”;

11 (4) in section 31(d)(1) (30 U.S.C. 188(d)(1) by
12 striking “or section 17(e)”;

13 (5) in section 31(e) (30 U.S.C. 188(e))—

14 (A) in paragraph (2) by striking “, or the
15 inclusion” and all that follows and inserting a
16 semicolon; and

17 (B) in paragraph (3) by striking “(A)”
18 and by striking subparagraph (B);

19 (6) by striking section 31(f) (30 U.S.C. 188(f));

20 and

21 (7) in section 31(g) (30 U.S.C. 188(g))—

22 (A) in paragraph (1) by striking “a com-
23 petitive” and all that follows through the semi-
24 colon and inserting “in the same manner as the
25 original lease issued pursuant to section 17;”;

1 (B) by striking paragraph (2); and
2 (C) in paragraph (3) by striking “, appli-
3 cable to leases issued under subsection 17(c) of
4 this Act (30 U.S.C. 226(c)) except,” and insert-
5 ing “, except”.

6 **SEC. 616. ELECTRONIC REPORTING.**

7 (a) RIGHTS-OF-WAY.—Section 28(w) of the Mineral
8 Leasing Act (30 U.S.C. 185(w)) is amended by adding
9 at the end the following:

10 “(4) Upon request of a Committee listed under
11 paragraph (1), that Committee may receive notifica-
12 tions under this subsection in electronic format in
13 addition to in writing, or in electronic format alone.
14 The Committee shall designate to the Secretary the
15 appropriate individual or individuals on the Com-
16 mittee to receive such electronic notices.”.

17 (b) LEASE REINSTATEMENT.—Section 31(e) of the
18 Mineral Leasing Act (30 U.S.C. 188(e)) is amended by
19 adding at the end the following: “Upon request of such
20 a Committee, that Committee may receive notifications
21 under this subsection in electronic format in addition to
22 in writing, or in electronic format alone. The Committee
23 shall designate to the Secretary the appropriate individual
24 or individuals on the Committee to receive such electronic
25 notices.”.

1 **SEC. 617. BEST MANAGEMENT PRACTICES.**

2 Not later than 180 days after the date of enactment
3 of this Act, the Secretary of the Interior shall promulgate
4 final regulations that require oil and gas operators to use
5 best management practices that ensure the sound, effi-
6 cient, and environmentally responsible development of oil
7 and gas on Federal lands in a manner that shall avoid
8 where practical, minimize, and mitigate actual and antici-
9 pated impacts to environmental habitat functions resulting
10 from oil and gas development. Such regulations may allow
11 for site-specific adjustments to address unique issues and
12 circumstances, on a case-by-case basis.

13 **TITLE VII—OFFSHORE REFORMS**
14 **Subtitle A—Leases, Easements, or**
15 **Rights-of-Way for Alternative**
16 **Energy**

17 **SEC. 701. AMENDMENTS TO OUTER CONTINENTAL SHELF**
18 **LANDS ACT.**

19 (a) **AUTHORIZATIONS FOR ALTERNATIVE ENERGY.—**
20 Section 8(p) of the Outer Continental Shelf Lands Act (43
21 U.S.C. 1337(p)) is amended to read as follows:

22 “(p) **AUTHORIZATIONS FOR ALTERNATIVE EN-**
23 **ERGY.—**

24 “(1) **IN GENERAL.—**The Secretary, in consulta-
25 tion with the Secretary of Commerce and the Sec-
26 retary of the Department in which the Coast Guard

1 is operating and other relevant departments and
2 agencies of the Federal Government, shall have the
3 sole authority in the Federal Government to grant a
4 lease, easement, right-of-way, or other authorization
5 to conduct an activity on the outer Continental Shelf
6 not otherwise authorized in this Act, the Deepwater
7 Port Act of 1974 (33 U.S.C. 1501 et seq.), or other
8 applicable law, if that activity will produce or sup-
9 port production, transportation, or transmission of
10 renewable forms of energy from sources other than
11 oil and gas.

12 “(2) PAYMENTS AND REVENUES.—(A) The Sec-
13 retary shall establish royalties, fees, rentals, bo-
14 nuses, or other payments to ensure a fair return to
15 the United States for any lease, easement, right-of-
16 way, or other authorization granted under this sub-
17 section.

18 “(B) The Secretary shall provide for the pay-
19 ment of 27 percent of the revenues received by the
20 Federal Government as a result of payments under
21 this section from projects that are located wholly or
22 partially within the area extending 3 nautical miles
23 seaward of State submerged lands. Payments shall
24 be made based on a formula established by the Sec-
25 retary by rulemaking no later than 180 days after

1 the date of enactment of this section that provides
2 for equitable distribution, based on proximity to the
3 project, among coastal states that have a coastline
4 that is located within 15 miles of the geographic
5 center of the project.

6 “(3) COMPETITIVE OR NONCOMPETITIVE
7 BASIS.—Any lease, easement, right-of-way, or other
8 authorization granted under paragraph (1) shall be
9 issued on a competitive basis, unless—

10 “(A) the lease, easement, right-of-way, or
11 other authorization relates to a project that
12 meets the criteria established under section
13 388(d) of the Energy Policy Act of 2005 (43
14 U.S.C. 1337 note; Public Law 109–58);

15 “(B) the lease, easement, right-of-way, or
16 other authorization—

17 “(i) is for the placement and oper-
18 ation of a meteorological or marine data
19 collection facility; and

20 “(ii) has a term of not more than 5
21 years; or

22 “(C) the Secretary determines, after pro-
23 viding public notice of a proposed lease, ease-
24 ment, right-of-way, or other authorization, that
25 no competitive interest exists.”.

1 (b) OUTER CONTINENTAL SHELF LEASING PRO-
2 GRAM.—Section 18(a) of the Outer Continental Shelf
3 Lands Act (43 U.S.C. 1344(a)) is amended to read as fol-
4 lows:

5 “(a) The Secretary, pursuant to procedures set forth
6 in subsections (c) and (d) of this section, shall prepare
7 and periodically revise, and maintain a renewable and non-
8 renewable energy resources leasing program to implement
9 the policies of this Act. The leasing program shall consist
10 of a schedule of proposed lease sales indicating, as pre-
11 cisely as possible, the size, timing, and location of leasing
12 activity that the Secretary determines will best meet na-
13 tional energy needs for the five-year period following its
14 approval or reapproval. Such leasing program shall be pre-
15 pared and maintained in a manner consistent with the fol-
16 lowing principles:

17 “(1) Management of the mineral resources and
18 renewable and nonrenewable energy resources of the
19 outer Continental Shelf shall be conducted in a man-
20 ner that recognizes and takes into account—

21 “(A) the economic value of such resources
22 in comparison with social, cultural, and environ-
23 mental resources of the outer Continental Shelf;
24 and

1 “(B) the potential impact of energy and
2 mineral development on the outer Continental
3 Shelf on other economic, social, cultural, and
4 environmental resources.

5 “(2) Timing and location of exploration, devel-
6 opment, and production of renewable and nonrenew-
7 able energy resources of the outer Continental Shelf
8 shall be based on a consideration of—

9 “(A) existing information concerning the
10 geographical, geological, and ecological charac-
11 teristics of regions that have the potential for
12 renewable or nonrenewable energy resource de-
13 velopment;

14 “(B) an equitable sharing of developmental
15 benefits and environmental risks among the
16 various regions referred to in subparagraph (A);

17 “(C) the location of regions referred to in
18 subparagraph (A) with respect to, and the rel-
19 ative needs of, regional and national energy
20 markets;

21 “(D) the location of regions referred to in
22 subparagraph (A) with respect to other uses of
23 the sea and seabed, including fisheries, naviga-
24 tion, existing or proposed sealanes, potential
25 sites of deepwater ports, and other anticipated

1 uses of the resources and space of the outer
2 Continental Shelf;

3 “(E) the interest of potential renewable
4 and nonrenewable energy resources producers
5 in the development of renewable and nonrenew-
6 able energy resources as indicated by explo-
7 ration or nomination;

8 “(F) laws, goals, and policies of affected
9 States (as that term is defined in the Outer
10 Continental Shelf Lands Act) that have been
11 specifically identified by the Governors of such
12 States as relevant matters for the Secretary’s
13 consideration;

14 “(G) the relative environmental sensitivity
15 and marine productivity of different areas of
16 the outer Continental Shelf;

17 “(H) relevant environmental and predictive
18 information for different areas of the outer
19 Continental Shelf; and

20 “(I) tribal cultural or subsistence activities.

21 “(3) The Secretary shall select the timing and
22 location of leasing, to the maximum extent prac-
23 ticable, so as to obtain a proper balance between the
24 potential for environmental damage, the potential for
25 the discovery of renewable and nonrenewable energy

1 resources, and the potential for adverse impact on
2 the coastal zone.

3 “(4) In selecting the timing and location of
4 areas for leasing for development of renewable and
5 nonrenewable energy resources, the Secretary shall
6 only include areas identified by the Regional Coun-
7 cils as being suitable to leasing and shall abide by
8 any restrictions recommended by the Regional Coun-
9 cils.

10 “(5) Such leasing activities shall be conducted
11 in a manner designed to ensure receipt of fair mar-
12 ket value for the lands leased, including consider-
13 ation of the value of the energy to be produced and
14 the rights conveyed by the Federal Government.

15 “(6) In this subsection, the term ‘Regional
16 Councils’ means Regional Outer Continental Shelf
17 Councils established under section 202 of the Fed-
18 eral Lands and Resources Energy Development Act
19 of 2009.’”.

20 (c) NOMINATIONS BY STATE, TRIBAL, AND LOCAL
21 GOVERNMENTS.—Section 19(c) of the Outer Continental
22 Shelf Lands Act (43 U.S.C. 1345(c)) is amended to read
23 as follows:

24 “(c) The Secretary shall accept recommendations of
25 the Governor affected and may accept recommendations

1 of the executive of any affected tribal or local government
2 if the Secretary determines, after having provided the op-
3 portunity for consultation, that they provide for a reason-
4 able balance between the national interest and the well-
5 being of the citizens of the affected State. For purposes
6 of this subsection, a determination of the national interest
7 shall be based on the desirability of obtaining renewable
8 and nonrenewable energy resource supplies in a balanced
9 manner and on the findings, purposes, and policies of this
10 Act.”.

11 (d) ENVIRONMENTAL STUDIES.—Section 20(a) of
12 the Outer Continental Shelf Lands Act (43 U.S.C.
13 1346(a)) is amended by striking so much as precedes
14 paragraph (2) and inserting the following:

15 “(a)(1) The Secretary shall conduct a study of any
16 area or region included in any renewable or nonrenewable
17 energy resource lease sale or other lease in order to estab-
18 lish information needed for assessment and management
19 of environmental impacts on the human, marine, and
20 coastal environments of the outer Continental Shelf and
21 the coastal areas that may be affected by renewable or
22 nonrenewable energy resource or other mineral develop-
23 ment in such area or region.”.

24 (e) DEPOSITS INTO OCEAN AND COASTAL TRUST
25 FUND.—Section 8 of the Outer Continental Shelf Lands

1 Act (43 U.S.C. 1337) is amended by adding at the end
2 the following:

3 “(q) DEPOSITS INTO OCEAN AND COASTAL TRUST
4 FUND.—For fiscal year 2009 and for each fiscal year
5 thereafter, 10 percent of the revenues generated by this
6 section in that fiscal year shall be deposited in the Ocean
7 and Coastal Trust Fund established by section 205 of the
8 Federal Lands and Resources Energy Development Act of
9 2009.”.

10 **Subtitle B—Other Reforms**

11 **SEC. 711. TRANSFER OF AUTHORITY OVER OFFSHORE** 12 **THERMAL ENERGY CONVERSION LICENSING.**

13 (a) TRANSFER.—The authority to license offshore
14 thermal energy conversion facilities and activities under
15 the Ocean Thermal Energy Conversion Research, Develop-
16 ment, and Demonstration Act (42 U.S.C. 9001 et seq.)
17 is hereby transferred to the Secretary. The Secretary shall
18 delegate that authority to the Director. The Secretary
19 shall, within two years after the date of enactment of this
20 Act, issue regulations necessary to implement that author-
21 ity.

22 (b) CONFORMING AND CLERICAL AMENDMENTS.—

23 (1) DEFINITION OF SECRETARY.—Section 9(3)
24 of such Act (42 U.S.C. 9008(3)) is amended by
25 striking “of Energy” and inserting “of the Interior”.

1 (2) CLERICAL AMENDMENT.—The headings for
2 subsections (f) and (h) of section 8 of such Act (42
3 U.S.C. 9007) are each amended by striking “OF EN-
4 ERGY”.

5 (c) REFERENCES.—Any reference in a law, map, reg-
6 ulation, document, paper, or other record of the United
7 States to the Secretary of Energy with respect to the au-
8 thority transferred by this section shall be deemed to be
9 a reference to the Secretary.

10 **SEC. 712. DISCHARGES FROM OFFSHORE OPERATIONS.**

11 Not later than 1 year after the date of enactment
12 of this section, the Secretary shall promulgate regulations
13 requiring that all oil and gas operations shall be conducted
14 to achieve zero discharge of pollutants into the waters of
15 the Outer Continental Shelf, in—

16 (1) areas of the Outer Continental Shelf that
17 were prohibited from leasing activities on September
18 30, 2008, pursuant to the Consolidated Appropria-
19 tions Act, 2008 (Public Law 110–161);

20 (2) areas that were prohibited from leasing ac-
21 tivities on December 20, 2006, pursuant to section
22 104 of the Gulf of Mexico Energy Security Act of
23 2006; and

24 (3) any area in the Outer Continental Shelf of
25 Alaska.

1 **TITLE VIII—MISCELLANEOUS**
2 **PROVISIONS**

3 **SEC. 801. REPEAL OF CERTAIN TAXPAYER SUBSIDIZED**
4 **ROYALTY RELIEF FOR THE OIL AND GAS IN-**
5 **DUSTRY.**

6 (a) REPEAL OF PROVISIONS OF ENERGY POLICY ACT
7 OF 2005.—The following provisions of the Energy Policy
8 Act of 2005 (Public Law 109–58) are repealed:

9 (1) Section 344 (42 U.S.C. 15904; relating to
10 incentives for natural gas production from deep wells
11 in shallow waters of the Gulf of Mexico).

12 (2) Section 345 (42 U.S.C. 15905; relating to
13 royalty relief for deep water production in the Gulf
14 of Mexico).

15 (b) PROVISIONS RELATING TO PLANNING AREAS
16 OFFSHORE ALASKA.—Section 8(a)(3)(B) of the Outer
17 Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(B))
18 is amended by striking “and in the Planning Areas off-
19 shore Alaska” after “West longitude”.

20 (c) PROVISIONS RELATING TO NAVAL PETROLEUM
21 RESERVE IN ALASKA.—Section 107 of the Naval Petro-
22 leum Reserves Production Act of 1976 (as transferred, re-
23 designated, moved, and amended by section 347 of the En-
24 ergy Policy Act of 2005 (119 Stat. 704)) is amended—

1 (1) in subsection (i) by striking paragraphs (2)
2 through (6); and

3 (2) by striking subsection (k).

4 **SEC. 802. PRODUCTION INCENTIVE FEE.**

5 (a) ESTABLISHMENT.—The Secretary shall, within
6 180 days after the date of enactment of this Act, issue
7 regulations to establish an annual production incentive fee
8 for all leases in effect on the date of enactment of this
9 Act, of Federal onshore and offshore lands for production
10 of oil or natural gas under which production is not occur-
11 ring.

12 (b) AMOUNT.—The amount of the fee shall be, for
13 each acre that is subject to a lease from which oil or nat-
14 ural gas is produced for less than 90 days in a calendar
15 year—

16 (1) for each of the fourth and fifth years of the
17 lease, \$4 per acre in 2009 dollars; and

18 (2) for the sixth year of the lease and each year
19 thereafter for which the lease is otherwise in effect,
20 \$10 per acre in 2009 dollars.

21 (c) ASSESSMENT AND COLLECTION.—The Secretary
22 shall assess and collect the fee established under this sec-
23 tion.

24 (d) REGULATIONS.—The Secretary may issue regula-
25 tions to prevent evasion of the fee under this section.