

111TH CONGRESS
1ST SESSION

H. R. 3534

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

SEPTEMBER 8, 2009

Mr. RAHALL introduced the following bill; which was referred to the
Committee on Natural Resources

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 “Consolidated Land, Energy, and Aquatic Resources 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—OIL AND GAS ROYALTY REFORM

Sec. 201. Amendments to definitions.

Sec. 202. Compliance reviews.

Sec. 203. Clarification of liability for royalty payments.

Sec. 204. Required recordkeeping.

Sec. 205. Fines and penalties.

Sec. 206. Interest on overpayments.

Sec. 207. Adjustments and refunds.

Sec. 208. Conforming amendment.

Sec. 209. Obligation period.

Sec. 210. Notice regarding tolling agreements and subpoenas.

Sec. 211. Appeals and final agency action.

Sec. 212. Assessments.

Sec. 213. Collection and production accountability.

Sec. 214. Natural gas reporting.

Sec. 215. Penalty for late or incorrect reporting of data.

Sec. 216. Required recordkeeping.

Sec. 217. Limitation on royalty in-kind program.

Sec. 218. Shared civil penalties.

Sec. 219. Applicability to other minerals.

Sec. 220. Entitlements.

TITLE III—OIL AND GAS LEASING REFORMS

Sec. 301. Diligent development.

Sec. 302. Reporting requirements.

Sec. 303. Notice requirements.

Sec. 304. Oil and gas leasing system.

Sec. 305. Electronic reporting.

Sec. 306. Best management practices.

Sec. 307. Coal mine methane recovery.

Sec. 308. Environmental review.

Sec. 309. Amendments to Outer Continental Shelf Lands Act.

TITLE IV—FULL FUNDING FOR THE LAND AND WATER
CONSERVATION FUND

- Sec. 401. Amendments to the Land and Water Conservation Fund Act of 1965.
 Sec. 402. Extension of the land and water conservation fund.
 Sec. 403. Permanent funding.
 Sec. 404. Allocation of funds.

TITLE V—NEW ONSHORE LEASING AUTHORITY

Subtitle A—Solar and Wind Leasing

- Sec. 501. Authority to issue commercial leases for wind and solar projects on
Federal lands.
 Sec. 502. Land management.
 Sec. 503. Revenues.
 Sec. 504. Recordkeeping and reporting requirements.
 Sec. 505. Audits.
 Sec. 506. Trade secrets.
 Sec. 507. Interest and Substantial Underreporting Assessments.
 Sec. 508. Indian savings provision.

Subtitle B—Uranium Leasing

- Sec. 511. Federal lands uranium leasing.

TITLE VI—OUTER CONTINENTAL SHELF COORDINATION AND
PLANNING

- Sec. 601. Regional Outer Continental Shelf coordination.
 Sec. 602. Regional Outer Continental Shelf Councils.
 Sec. 603. Regional Outer Continental Shelf strategic plans.
 Sec. 604. Regulations.
 Sec. 605. Ocean Resources Conservation and Assistance Fund.
 Sec. 606. Waiver.
 Sec. 607. Transition period.
 Sec. 608. Alternative energy on the Outer Continental Shelf.

TITLE VII—MISCELLANEOUS PROVISIONS

- Sec. 701. Repeal of certain taxpayer subsidized royalty relief for the oil and gas
industry.
 Sec. 702. Production incentive fee.
 Sec. 703. Leasing on Indian lands.
 Sec. 704. Offshore aquaculture clarification.

1 SEC. 2. DEFINITIONS.

2 For the purposes of this Act:

- 3** (1) ADMINISTRATOR.—The term “Adminis-
4 trator” means the Administrator of the National
5 Oceanic and Atmospheric Administration.

1 (2) AFFECTED INDIAN TRIBE.—The term “af-
2 fected Indian tribe” means an Indian tribe that has
3 federally reserved rights that are affirmed by treaty,
4 statute, Executive order, Federal court order, or
5 other Federal law in the area at issue.

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

9 (4) COASTAL STATE.—The term “coastal
10 State” has the meaning given the term in section
11 304 of the Coastal Zone Management Act of 1972
12 (16 U.S.C. 1453).

13 (5) DIRECTOR.—The term “Director” means
14 the Director of the Leasing Office, except as other-
15 wise provided in this Act.

16 (6) ECOSYSTEM-BASED MANAGEMENT.—The
17 term “ecosystem-based management” means an inte-
18 grated approach to management that—

19 (A) considers the entire ecosystem, includ-
20 ing humans, and accounts for interactions
21 among the ecosystem, the range of activities af-
22 fecting the ecosystem, and the management of
23 such activities;

24 (B) aims to maintain ecosystems in a
25 healthy, productive, sustainable, and resilient

1 condition so that they can provide the services
2 humans want and need;

3 (C) emphasizes the protection of ecosystem
4 structure, function, patterns, and important
5 processes;

6 (D) considers the impacts, including cumu-
7 lative impacts, of the range of activities affect-
8 ing an ecosystem that fall within geographical
9 boundaries of the ecosystem;

10 (E) explicitly accounts for the inter-
11 connectedness within an ecosystem, such as
12 food webs, and acknowledges the interconnect-
13 edness among systems, such as between air,
14 land, and sea; and

15 (F) integrates ecological, social, economic,
16 cultural, and institutional perspectives, recog-
17 nizing their strong interdependencies.

18 (7) FUNCTION.—The term “function” includes
19 authorities, powers, rights, privileges, immunities,
20 programs, projects, activities, duties, and respon-
21 sibilities.

22 (8) IMPORTANT ECOLOGICAL AREA.—The term
23 “important ecological area” means an area that con-
24 tributes significantly to local or larger marine eco-

1 system health or is an especially unique or sensitive
2 marine ecosystem.

3 (9) INDIAN LAND.—The term “Indian land”
4 has the meaning given the term in section 502(a) of
5 title V of Public Law 109–58 (25 U.S.C. 3501(2)).

6 (10) LEASING OFFICE.—The term “Leasing Of-
7 fice” means the Office of Federal Energy and Min-
8 erals Leasing established under this Act.

9 (11) MARINE ECOSYSTEM HEALTH.—The term
10 “marine ecosystem health” means the ability of an
11 ecosystem in ocean and coastal waters to support
12 and maintain patterns, important processes, and
13 productive, sustainable, and resilient communities of
14 organisms, having a species composition, diversity,
15 and functional organization resulting from the nat-
16 ural habitat of the region, such that it is capable of
17 supporting a variety of activities and providing a
18 complete range of ecological benefits. Such an eco-
19 system would be characterized by a variety of fac-
20 tors, including—

21 (A) a complete diversity of native species
22 and habitat wherein each native species is able
23 to maintain an abundance, population struc-
24 ture, and distribution supporting its ecological

1 and evolutionary functions, patterns, and pro-
2 cesses; and

3 (B) a physical, chemical, geological, and
4 microbial environment that is necessary to
5 achieve such diversity.

6 (12) MINERAL.—The term “mineral” has the
7 same meaning that the term “minerals” has in sec-
8 tion 2(q) of the Outer Continental Shelf Lands Act
9 (43 U.S.C. 1331(q)).

10 (13) NONRENEWABLE ENERGY RESOURCE.—
11 The term “nonrenewable energy resource” means oil
12 and natural gas.

13 (14) OUTER CONTINENTAL SHELF.—The term
14 “Outer Continental Shelf” has the meaning that the
15 term “outer Continental Shelf” has in the Outer
16 Continental Shelf Lands Act (43 U.S.C. 1331 et
17 seq.).

18 (15) PUBLIC LAND STATE.—The term “public
19 land State” means—

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

24 (B) Alaska.

1 (16) REGIONAL OCEAN PARTNERSHIP.—The
2 term “Regional Ocean Partnership” means vol-
3 untary, collaborative management initiatives devel-
4 oped and entered into by the Governors of two or
5 more coastal States or created by an interstate com-
6 pact to implement policies and activities identified
7 under special area management plans or other
8 agreements developed and approved by the Gov-
9 ernors through authority granted to them under the
10 Coastal Zone Management Act (16 U.S.C. 1451 et
11 seq.).

12 (17) RENEWABLE ENERGY RESOURCE.—The
13 term “renewable energy resource” means each of the
14 following:

15 (A) Wind energy.

16 (B) Solar energy.

17 (C) Geothermal energy.

18 (D) Biomass or landfill gas.

19 (E) A hydropower resource that is a quali-
20 fied energy resource (as that term is defined in
21 section 45(c)(1) of the Internal Revenue of
22 1986, as amended by section 1301(c) of the
23 Energy Policy Act of 2005 (119 Stat. 987)).

24 (F) Marine and hydrokinetic renewable en-
25 ergy, as that term is defined in section 632 of

1 the Energy Independence and Security Act of
2 2007 (42 U.S.C. 17211).

3 (18) SECRETARIES.—The term “Secretaries”
4 means the Secretary of the Interior and the Sec-
5 retary of Commerce.

6 (19) SECRETARY.—The term “Secretary”
7 means the Secretary of the Interior, except as other-
8 wise provided in this Act.

9 (20) SURFACE USE PLAN OF OPERATIONS.—
10 The term “surface use plan of operations” means a
11 plan for surface use, disturbance, and reclamation of
12 Federal lands for energy development that is sub-
13 mitted by a lessee and approved by the relevant land
14 management agency.

15 (21) 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 (22) 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, which shall be under the direction
10 and control of the Director.

11 (b) **FUNCTIONS.**—

12 (1) **TRANSFERRED FUNCTIONS.**—Within 1 year
13 after the date of enactment of this Act, the Sec-
14 retary of the Interior shall transfer to the Director
15 of the Leasing Office—

16 (A) the functions of the Minerals Manage-
17 ment Service as it existed on June 1, 2009, ex-
18 cept for the auditing and compliance manage-
19 ment section;

20 (B) the functions of the Oil and Gas Man-
21 agement program of the Bureau of Land Man-
22 agement as in existence as of June 1, 2009, ex-
23 cept as provided by this Act; and

24 (C) any other functions assigned by the
25 Secretary to those programs after June 1,

1 2009, and before the date of the enactment of
2 this Act.

3 (2) OTHER FUNCTIONS.—In addition to the
4 functions transferred under paragraph (1), the func-
5 tions of the Office shall include the following:

6 (A) Management of the leasing and devel-
7 opment otherwise authorized by law of all Fed-
8 eral waters on the Outer Continental Shelf for
9 purposes of mineral, nonrenewable, and renew-
10 able energy resource exploration, siting, produc-
11 tion, and development in a manner protective of
12 the marine, coastal, and human environment.

13 (B) Management of the following leasing
14 activities associated with development of renew-
15 able energy resources and oil and natural gas
16 energy resources located on lands managed by
17 the Bureau of Land Management and the For-
18 est Service in a manner protective of natural
19 ecosystems and the human environment:

20 (i) Establishment of fair market value
21 for onshore lease sales.

22 (ii) Conduct of lease sales.

23 (iii) Issuance and oversight of onshore
24 leases.

1 (iv) Issuance of permits to drill on
2 lands that are within areas that have been
3 approved for energy development by the
4 relevant land management agency under a
5 surface use plan of operations.

6 (v) Compliance activities, including
7 timely payments of rentals, royalties and
8 other fees, production verification, inspec-
9 tion and enforcement.

10 (C) Administration of a program to ensure
11 the timely and accurate collection, distribution,
12 and accounting for revenues owed by holders of
13 mineral, renewable, and nonrenewable energy
14 leases on Federal lands and offshore and Indian
15 lands.

16 (c) TRIBAL LANDS.—Except as provided in sub-
17 section (b)(2)(C), nothing in this title shall apply with re-
18 spect to Indian lands.

19 (d) ADMINISTRATION.—The Office shall administer
20 its functions by such means as are reasonably necessary
21 to carry out the purposes of this Act, the Outer Conti-
22 nental Shelf Lands Act (43 U.S.C. 1301 et seq.), the Min-
23 eral Leasing Act (30 U.S.C. 181 et seq.), the Mineral
24 Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.),
25 the Federal Oil and Gas Royalty Management Act of 1982

1 (30 U.S.C. 1701 et seq.), the Energy Policy Act of 2005
2 (Public Law 109–58), the Federal Oil and Gas Royalty
3 Simplification and Fairness Act of 1996 (Public Law 104–
4 185), the Forest and Rangeland Renewable Resources
5 Planning Act of 1974 (16 U.S.C. 1600 et seq.), the Fed-
6 eral Land Policy and Management Act of 1976 (43 U.S.C.
7 1701 et seq.), and all other applicable Federal laws.

8 (e) LAND USE PLANNING.—Nothing in this title af-
9 fects the land use planning authorities of the Bureau of
10 Land Management under the Federal Land Policy and
11 Management Act of 1976 or of the Forest Service under
12 the National Forest Management Act of 1976 (Public Law
13 94–588).

14 (f) RESPONSIBILITIES OF LAND MANAGEMENT
15 AGENCIES.—In addition to the land use planning respon-
16 sibilities authorized under the Federal Land Policy Man-
17 agement Act of 1976, the National Forest Management
18 Act of 1976, and the Forest and Rangeland Renewable
19 Resources Planning Act of 1974, the Director of the Bu-
20 reau of Land Management and the Chief of the Forest
21 Service shall be responsible for the following activities re-
22 lated to energy leasing, exploration, and development on
23 land under his or her authority:

24 (1) Establishment of best management prac-
25 tices for environmentally sound energy production.

1 (2) Review and approval of general land use
2 plans that identify areas in which energy develop-
3 ment would not conflict with other land uses.

4 (3) Determination and enforcement of condi-
5 tions for surface occupancy.

6 (4) Authorization of any modification, waiver,
7 or exception to a stipulation or other condition to be
8 included in a lease issued by the Leasing Office.

9 (5) Establishment and enforcement of reclama-
10 tion requirements.

11 (6) Establishment and enforcement of financial
12 assurances that shall be sufficient to assure the com-
13 pletion of reclamation and restoration satisfying the
14 requirements of appropriate law if the work were to
15 be performed by the Secretary concerned in the
16 event of forfeiture, including the construction and
17 maintenance costs for any treatment facilities nec-
18 essary to meet Federal and State environmental re-
19 quirements. The calculation of such amount shall
20 take into account the maximum level of financial ex-
21 posure that may arise during the leasing activity and
22 administrative costs associated with a government
23 agency reclaiming the site.

1 (7) Inspection of areas of operation to ensure
2 that operations are in compliance with approved sur-
3 face use land plans.

4 (8) Issuance of notices of noncompliance lease
5 cancellation for noncompliance with terms of permits
6 and plans.

7 (9) Such other activities that either of the Sec-
8 retaries determines are necessary to ensure that en-
9 ergy development on Bureau of Land Management
10 and Forest Service lands is accomplished in a man-
11 ner protective of natural ecosystems and the human
12 environment.

13 (g) INSPECTION AUTHORITY.—The responsibilities
14 delineated in subsection (f) do not limit the authority of
15 the Director of the Leasing Office to issue notices of non-
16 compliance, assess civil penalties, or provide for lease can-
17 cellation in the event that an employee of the Leasing Of-
18 fice identifies violations of a surface use plan of operations
19 while conducting production inspections or other inspec-
20 tions under the auspices of the Leasing Office.

21 (h) AUDITS.—In order to ensure that the fiduciary
22 duties of the United States on behalf of the American peo-
23 ple, as they relate to development of Federal energy and
24 mineral resources, are fully realized, no later than one
25 year after the date of enactment, the Secretary shall

1 transfer to the Inspector General of the Department of
2 the Interior the functions of the Audit and Compliance
3 Management Section of the Minerals Management Serv-
4 ice.

5 **SEC. 102. OFFICERS AND EMPLOYEES.**

6 (a) DIRECTOR.—

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

10 (A) professional competence; and

11 (B) capacity to—

12 (i) administer the provisions of this
13 Act; and

14 (ii) ensure that the fiduciary duties of
15 the United States Government on behalf of
16 the American people, as they relate to de-
17 velopment of energy resources, are duly
18 met.

19 (2) COMPENSATION.—The Director shall be
20 compensated at the rate provided for Level V of the
21 Executive Schedule under section 5315 of title 5,
22 United States Code.

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

1 “Director, Office of Federal Energy and Min-
2 erals Leasing.”.

3 (b) OTHER OFFICERS AND EMPLOYEES.—

4 (1) IN GENERAL.—There shall also be in the
5 Leasing Office such subordinate officers and employ-
6 ees as may be appropriated for by Congress.

7 (2) TRANSFERS.—Within one year after the
8 date of enactment of this Act, the Secretary shall
9 permanently transfer from the Bureau of Land
10 Management and the Minerals Management Service
11 and or other bureaus of the Department of the Inte-
12 rior to the Leasing Office such personnel as nec-
13 essary to administer the programs authorized to be
14 carried out or managed by the Leasing Office under
15 this Act.

16 (c) REGULATIONS.—Not later than 2 years after the
17 date of enactment of this Act, the Secretary shall issue
18 regulations that—

19 (1) require that all Leasing Office employees
20 that conduct audits or compliance reviews for the
21 Leasing Office shall meet professional auditor quali-
22 fications that are consistent with the latest revision
23 of the Government Auditing Standards published by
24 the Government Accountability Office; and

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

4 **SEC. 103. ETHICS.**

5 The Secretary shall certify annually that all Leasing
6 Office employees having regular, direct contact with les-
7 sees and operators as a function of their official duties
8 are in full compliance with all Federal employee ethics
9 laws and regulations, under the Ethics in Government Act
10 of 1978 (5 U.S.C. App.) and part 2635 of title 5, Code
11 of Federal Regulations.

12 **TITLE II—OIL AND GAS ROYALTY**
13 **REFORM**

14 **SEC. 201. AMENDMENTS TO DEFINITIONS.**

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

17 (1) in paragraph (8), by striking the semicolon
18 and inserting “including but not limited to the Act
19 of October 20, 1914 (38 Stat. 741); the Act of Feb-
20 ruary 25, 1920 (41 Stat. 437); the Act of April 17,
21 1926 (44 Stat. 301); the Act of February 7, 1927
22 (44 Stat. 1057); and all Acts heretofore or hereafter
23 enacted that are amendatory of or supplementary to
24 any of the foregoing Acts;”

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

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

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

10 (5) by striking paragraph (24) and inserting
11 the following:

12 “(24) ‘designee’ means a person who pays, off-
13 sets, or credits monies, makes adjustments, requests
14 and receives refunds, or submits reports with respect
15 to payments a lessee must make pursuant to section
16 102(a);”;

17 (6) in paragraph (25)(B)—

18 (A) by striking “(subject to the provisions
19 of section 102(a) of this Act)”;

20 (B) in clause (ii) by striking the matter
21 after subclause (IV) and inserting the following:

22 “that arises from or relates to any lease,
23 easement, right-of-way, permit, or other
24 agreement regardless of form administered
25 by the Secretary for, or any mineral leas-

1 ing law related to, the exploration, produc-
2 tion, and development of oil and gas or
3 other energy resource on Federal lands or
4 the Outer Continental Shelf;”;

5 (7) in paragraph (29), by inserting “or permit”
6 after “lease”; and

7 (8) by striking “and” after the semicolon at the
8 end of paragraph (32), by striking the period at the
9 end of paragraph (33) and inserting a semicolon,
10 and by adding at the end the following new para-
11 graphs:

12 “(34) ‘compliance review’ means a full-scope or
13 a limited-scope examination of a lessee’s lease ac-
14 counts to compare one or all elements of the royalty
15 equation (volume, value, royalty rate, and allow-
16 ances) against anticipated elements of the royalty
17 equation to test for variances; and

18 “(35) ‘marketing affiliate’ means an affiliate of
19 a lessee whose function is to acquire the lessee’s pro-
20 duction and to market that production.”.

21 **SEC. 202. COMPLIANCE REVIEWS.**

22 Section 101 of the Federal Oil and Gas Royalty Man-
23 agement Act of 1982 (30 U.S.C. 1711) is amended by
24 adding at the end the following new subsection:

1 “(d) The Secretary may, as an adjunct to audits of
2 accounts for leases, utilize compliance reviews of accounts.
3 Such reviews shall not constitute nor substitute for audits
4 of lease accounts. Any disparity uncovered in such a com-
5 pliance review shall be immediately referred to a program
6 auditor. The Secretary shall, before completion of a com-
7 pliance review, provide notice of the review to designees
8 whose obligations are the subject of the review.”.

9 **SEC. 203. CLARIFICATION OF LIABILITY FOR ROYALTY PAY-**
10 **MENTS.**

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

14 “(a) In order to increase receipts and achieve effec-
15 tive collections of royalty and other payments, a lessee who
16 is required to make any royalty or other payment under
17 a lease, easement, right-of-way, permit, or other agree-
18 ment, regardless of form, or under the mineral leasing
19 laws, shall make such payment in the time and manner
20 as may be specified by the Secretary or the applicable dele-
21 gated State. Any person who pays, offsets, or credits mon-
22 ies, makes adjustments, requests and receives refunds, or
23 submits reports with respect to payments the lessee must
24 make is the lessee’s designee under this Act. Notwith-
25 standing any other provision of this Act to the contrary,

1 a designee shall be liable for any payment obligation of
2 any lessee on whose behalf the designee pays royalty under
3 the lease. The person owning operating rights in a lease
4 and a person owning legal record title in a lease shall be
5 liable for that person's pro rata share of payment obliga-
6 tions under the lease.”.

7 **SEC. 204. REQUIRED RECORDKEEPING.**

8 Section 103(b) of the Federal Oil and Gas Royalty
9 Management Act of 1982 (30 U.S.C. 1712(a)) is amended
10 by striking “6” and inserting “7”.

11 **SEC. 205. FINES AND PENALTIES.**

12 Section 109 of the Federal Oil and Gas Royalty Man-
13 agement Act of 1982 (30 U.S.C. 1719) is amended—

14 (1) in subsection (a) in the matter following
15 paragraph (2), by striking “\$500” and inserting
16 “\$1,000”;

17 (2) in subsection (a)(2)(B), by inserting “(i)”
18 after “such person”, and by striking the period at
19 the end and inserting “; and (ii) has not received no-
20 tice, pursuant to paragraph (1), of more than two
21 prior violations in the current calendar year.”;

22 (3) in subsection (b), by striking “\$5,000” and
23 inserting “\$10,000”;

24 (4) in subsection (c)—

1 (A) in paragraph (2), by striking “; or”
2 and inserting “, including any failure or refusal
3 to promptly tender requested documents;”;

4 (B) in paragraph (3)—

5 (i) by striking “\$10,000” and insert-
6 ing “\$20,000”; and

7 (ii) by striking the period at the end
8 and inserting a semicolon; and

9 (C) by adding at the end the following new
10 paragraphs:

11 “(4) knowingly or willfully fails to make any
12 royalty payment in the amount or value as specified
13 by statute, regulation, order, or terms of the lease;
14 or

15 “(5) fails to correctly report and timely provide
16 operations or financial records necessary for the Sec-
17 retary or any authorized designee of the Secretary to
18 accomplish lease management responsibilities;”;

19 (5) in subsection (d), by striking “\$25,000”
20 and inserting “\$50,000”;

21 (6) in subsection (h), by striking “by registered
22 mail” and inserting “a common carrier that provides
23 proof of delivery”; and

24 (7) by adding at the end the following sub-
25 section:

1 “(l)(1) Any determination by the Secretary or a des-
2 ignee of the Secretary that a person has committed a vio-
3 lation under subsection (a), (c), or (d)(1) shall toll any
4 applicable statute of limitations for all oil and gas leases
5 held or operated by such person, until the later of—

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

10 “(B) the date a final, nonappealable order has
11 been issued by the Secretary or a court of competent
12 jurisdiction.

13 “(2) A person determined by the Secretary or a des-
14 ignee of the Secretary to have violated subsection (a), (c),
15 or (d)(1) shall maintain all records with respect to the per-
16 son’s oil and gas leases until the later of—

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

19 “(B) the expiration of the period during which
20 the records must be maintained under section
21 103(b).”.

22 **SEC. 206. INTEREST ON OVERPAYMENTS.**

23 Section 111 of the Federal Oil and Gas Royalty Man-
24 agement Act of 1982 (30 U.S.C. 1721) is amended—

1 (1) by amending subsections (h) and (i) to read
2 as follows:

3 “(h) Interest shall not be allowed nor paid nor cred-
4 ited on any overpayment, and no interest shall accrue from
5 the date such overpayment was made.

6 “(i) A lessee or its designee may make a payment
7 for the approximate amount of royalties (hereinafter in
8 this subsection referred to as the ‘estimated payment’)
9 that would otherwise be due for such lease by the date
10 royalties are due for that lease. When an estimated pay-
11 ment is made, actual royalties are payable at the end of
12 the month following the month in which the estimated
13 payment is made. If the estimated payment was less than
14 the amount of actual royalties due, interest is owed on
15 the underpaid amount. If the lessee or its designee makes
16 a payment for such actual royalties, the lessee or its des-
17 ignee may apply the estimated payment to future royal-
18 ties. Any estimated payment may be adjusted, recouped,
19 or reinstated by the lessee or its designee provided such
20 adjustment, recoupment or reinstatement is made within the
21 limitation period for which the date royalties were due for
22 that lease.”;

23 (2) by striking subsection (j); and

24 (3) in subsection (k)(4)—

1 (A) by striking “or overpaid royalties and
2 associated interest”; and

3 (B) by striking “, refunded, or credited”.

4 **SEC. 207. ADJUSTMENTS AND REFUNDS.**

5 Section 111A of the Federal Oil and Gas Royalty
6 Management Act of 1982 (30 U.S.C. 1721a) is amend-
7 ed—

8 (1) in subsection (a)(3), by inserting “(A)”
9 after “(3)”, and by striking the last sentence and in-
10 serting the following:

11 “(B) Except as provided in subparagraph
12 (C), no adjustment may be made with respect
13 to an obligation that is the subject of an audit
14 or compliance review after completion of the
15 audit or compliance review, respectively, unless
16 such adjustment is approved by the Secretary
17 or the applicable delegated State, as appro-
18 priate.

19 “(C) If an overpayment is identified during
20 an audit, the Secretary shall allow a credit in
21 the amount of the overpayment.”;

22 (2) in subsection (a)(4)—

23 (A) by striking “six” and inserting “four”;
24 and

1 (B) by striking “shall” and inserting
2 “may”; and

3 (3) in subsection (b)(1) by striking “and” after
4 the semicolon at the end of subparagraph (C), by
5 striking the period at the end of subparagraph (D)
6 and inserting “; and”, and by adding at the end the
7 following:

8 “(E) is made within the adjustment period
9 for that obligation.”.

10 **SEC. 208. CONFORMING AMENDMENT.**

11 Section 114 of the Federal Oil and Gas Royalty Man-
12 agement Act of 1982 is repealed.

13 **SEC. 209. OBLIGATION PERIOD.**

14 Section 115(c) of the Federal Oil and Gas Royalty
15 Management Act of 1982 (30 U.S.C. 1724(c)) is amended
16 by adding at the end the following new paragraph:

17 “(3) ADJUSTMENTS.—In the case of an adjust-
18 ment under section 111A(a) in which a recoupment
19 by the lessee results in an underpayment of an obli-
20 gation, for purposes of this Act the obligation be-
21 comes due on the date the lessee or its designee
22 makes the adjustment.”.

1 **SEC. 210. NOTICE REGARDING TOLLING AGREEMENTS AND**
2 **SUBPOENAS.**

3 (a) TOLLING AGREEMENTS.—Section 115(d)(1) of
4 the Federal Oil and Gas Royalty Management Act of 1982
5 (30 U.S.C. 1724(d)(1)) is amended by striking “(with no-
6 tice to the lessee who designated the designee)”.

7 (b) SUBPOENAS.—Section 115(d)(2)(A) of the Fed-
8 eral Oil and Gas Royalty Management Act of 1982 (30
9 U.S.C. 1724(d)(2)(A)) is amended by striking “(with no-
10 tice to the lessee who designated the designee, which notice
11 shall not constitute a subpoena to the lessee)”.

12 **SEC. 211. APPEALS AND FINAL AGENCY ACTION.**

13 Paragraphs (1) and (2) of section 115(h) the Federal
14 Oil and Gas Royalty Management Act of 1982 (30 U.S.C.
15 1724(h)) are amended by striking “33” each place it ap-
16 pears and inserting “48”.

17 **SEC. 212. ASSESSMENTS.**

18 Section 116 of the Federal Oil and Gas Royalty Man-
19 agement Act of 1982 (30 U.S.C. 1724) is repealed.

20 **SEC. 213. COLLECTION AND PRODUCTION ACCOUNT-**
21 **ABILITY.**

22 (a) PILOT PROJECT.—Within two years after the
23 date of enactment of this Act, the Secretary shall complete
24 a pilot project with willing operators of oil and gas leases
25 on the Outer Continental Shelf that assesses the costs and
26 benefits of automatic transmission of oil and gas volume

1 and quality data produced under Federal leases on the
2 Outer Continental Shelf in order to improve the produc-
3 tion verification systems used to ensure accurate royalty
4 collection and audit.

5 (b) REPORT.—The Secretary shall submit to Con-
6 gress a report on findings and recommendations of the
7 pilot project within 3 years after the date of enactment
8 of this Act.

9 **SEC. 214. NATURAL GAS REPORTING.**

10 The Secretary shall, within 180 days after the date
11 of enactment of this Act, implement the steps necessary
12 to ensure accurate determination and reporting of BTU
13 values of natural gas from all Federal oil and gas leases
14 to ensure accurate royalty payments to the United States.
15 Such steps shall include, but not be limited to—

16 (1) establishment of consistent guidelines for
17 onshore and offshore BTU information from gas
18 producers;

19 (2) development of a procedure to determine
20 the potential BTU variability of produced natural
21 gas on a by-reservoir or by-lease basis;

22 (3) development of a procedure to adjust BTU
23 frequency requirements for sampling and reporting
24 on a case-by-case basis;

1 (4) systematic and regular verification of BTU
2 information; and

3 (5) revision of the “MMS–2014” reporting
4 form to record, in addition to other information al-
5 ready required, the natural gas BTU values that
6 form the basis for the required royalty payments.

7 **SEC. 215. PENALTY FOR LATE OR INCORRECT REPORTING**
8 **OF DATA.**

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

14 (b) AMOUNT.—The amount of the civil penalty shall
15 be—

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

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

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

1 **SEC. 216. REQUIRED RECORDKEEPING.**

2 Within 1 year after the date of enactment of this Act,
3 the Secretary shall publish final regulations concerning re-
4 quired recordkeeping of natural gas measurement data as
5 set forth in part 250.1203 of title 30, Code of Federal
6 Regulations (as in effect on the date of enactment of this
7 Act), to include operators and other persons involved in
8 the transporting, purchasing, or selling of gas under the
9 requirements of that rule, under the authority provided
10 in section 103 of the Federal Oil and Gas Royalty Man-
11 agement Act of 1982 (30 U.S.C. 1713).

12 **SEC. 217. LIMITATION ON ROYALTY IN-KIND PROGRAM.**

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

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

23 **“SEC. 27. FEDERAL PURCHASE AND DISPOSITION OF OIL**
24 **AND GAS.**

25 “Except as may be necessary to comply with sections
26 6 and 7 of this Act, all royalties or net profit shares, or

1 both, accruing to the United States under any oil and gas
2 lease issued or maintained in accordance with this Act,
3 shall, on demand of the Secretary, be paid in oil or gas,
4 except that the Secretary shall not conduct a regular pro-
5 gram to take oil and gas lease royalties in oil or gas.”.

6 **SEC. 218. SHARED CIVIL PENALTIES.**

7 Section 206 of the Federal Oil and Gas Royalty Man-
8 agement Act of 1982 (30 U.S.C. 1724) is amended by
9 striking “Such amount shall be deleted from any com-
10 pensation due such State or Indian Tribe under section
11 202 or section 205 or such State under section 205.”.

12 **SEC. 219. APPLICABILITY TO OTHER MINERALS.**

13 Section 304 of the Federal Oil and Gas Royalty Man-
14 agement Act of 1982 (30 U.S.C. 1753) is amended by
15 adding at the end the following new subsection:

16 “(e) APPLICABILITY TO OTHER MINERALS.—

17 “(1) Notwithstanding any other provision of
18 law, sections 107, 109, and 110 of this Act and the
19 regulations duly promulgated with respect thereto
20 shall apply to any lease authorizing the development
21 of coal or any other solid mineral on any Federal
22 lands or Indian lands, to the same extent as if such
23 lease were an oil and gas lease, on the same terms
24 and conditions as those authorized for oil and gas
25 leases.

1 “(2) Notwithstanding any other provision of
2 law, sections 107, 109, and 110 of this Act and the
3 regulations duly promulgated with respect thereto
4 shall apply with respect to any lease, easement,
5 right-of-way, or other agreement, regardless of form
6 (including any royalty, rent, or other payment due
7 thereunder)—

8 “(A) under section 8(k) or 8(p) of the
9 Outer Continental Shelf Lands Act (43 U.S.C.
10 1337(k) and 1337(p)); or

11 “(B) under the Geothermal Steam Act (30
12 U.S.C. 1001 et seq.), to the same extent as if
13 such lease, easement, right-of-way, or other
14 agreement were an oil and gas lease on the
15 same terms and conditions as those authorized
16 for oil and gas leases.

17 “(3) For the purposes of this subsection, the
18 term ‘solid mineral’ means any mineral other than
19 oil, gas, and geo-pressured-geothermal resources,
20 that is authorized by an Act of Congress to be pro-
21 duced from public lands (as that term is defined in
22 section 103 of the Federal Land Policy and Manage-
23 ment Act of 1976 (43 U.S.C. 1702)).”.

1 **SEC. 220. ENTITLEMENTS.**

2 Not later than 180 days after the date of enactment
3 of this Act, the Secretary shall publish final regulations
4 prescribing when a Federal lessee or designee must report
5 and pay royalties on the volume of oil and gas it takes
6 under either a Federal or Indian lease or on the volume
7 to which it is entitled to based upon its ownership interest
8 in the Federal or Indian lease. The Secretary shall give
9 consideration to requiring 100 percent entitlement report-
10 ing and paying based upon the lease ownership.

11 **TITLE III—OIL AND GAS**
12 **LEASING REFORMS**

13 **SEC. 301. DILIGENT DEVELOPMENT.**

14 (a) REGULATIONS.—The Secretary shall issue regula-
15 tions within one year after the date of enactment of this
16 Act that define “diligent development” for purposes of all
17 new leases issued under the Mineral Leasing Act (30
18 U.S.C. 181 et seq.) and all new leases issued under the
19 Outer Continental Shelf Lands Act (43 U.S.C. 1331 et
20 seq.). Such regulations shall—

21 (1) include benchmarks for oil and gas develop-
22 ment that will ensure that leaseholders take all ap-
23 propriate measures necessary to produce oil and gas
24 from each lease that contains commercial quantities
25 of oil and gas within the original term of the lease;

1 (2) require each leaseholder to submit to the
2 Secretary a diligent development plan showing how
3 the lessee will meet the benchmarks;

4 (3) provide accommodation for development
5 delays, including lease suspensions, directed by the
6 Secretary that restrict diligent development in order
7 to meet environmental stipulations and consider-
8 ations; and

9 (4) require submission of diligent development
10 plans in an electronic format proscribed by the Sec-
11 retary, which the Secretary shall make available for
12 public review.

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

18 **SEC. 302. REPORTING REQUIREMENTS.**

19 (a) **BIANNUAL REPORTS.**—The Secretary shall re-
20 quire biannual reports from each Federal oil and gas les-
21 see that holds a nonproducing lease on the actions the les-
22 see has taken to diligently develop each Federal lease the
23 lessee holds.

24 (b) **ELECTRONIC DATABASE.**—The Secretary shall
25 establish and maintain an electronic database that is avail-

1 able to the public that identifies each Federal oil and gas
2 lease, each lessee under such lease, the acreage held by
3 each such lessee, and the progress made toward produc-
4 tion under each such lease.

5 **SEC. 303. NOTICE REQUIREMENTS.**

6 Section 17(f) of the Mineral Leasing Act (30 U.S.C.
7 226(f)) is amended—

8 (1) by striking all through the first 2 sentences
9 and inserting the following:

10 “(f)(1) At least 45 days before offering lands for
11 lease under this section, and at least 30 days before ap-
12 proving applications for permits to drill under the provi-
13 sions of a lease or substantially modifying the terms of
14 any lease issued under this section, the Secretary shall
15 provide notice of the proposed action to—

16 “(A) the general public by posting such no-
17 tice in the appropriate local office and on the
18 electronic website of the leasing and land man-
19 agement agencies offering the lands for lease;

20 “(B) all surface land owners in the area of
21 the lands being offered for lease; and

22 “(C) the holders of special recreation per-
23 mits for commercial use, competitive events,
24 and other organized activities on the lands
25 being offered for lease.

1 “(2)”; and

2 (2) by designating the last sentence as para-
3 graph (3).

4 **SEC. 304. OIL AND GAS LEASING SYSTEM.**

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

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

11 “(2) Leasing activities under this Act shall be con-
12 ducted to assure receipt of fair market value for the lands
13 and resources leased and the rights conveyed by the Fed-
14 eral Government.”.

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

19 “(b)(1)(A) All lands to be leased shall be leased as
20 provided in this paragraph to the highest responsible
21 qualified bidder by competitive bidding under general reg-
22 ulations in units of not more than 2,560 acres, except in
23 Alaska, where units shall be not more than 5,760 acres.
24 Such units shall be as nearly compact as possible. Lease
25 sales shall be conducted by sealed bid. Lease sales shall

1 be held for a State on a statewide basis where eligible
2 lands in such States are available no more than 3 times
3 per year per State, unless the Secretary of the Interior
4 determines additional sales are necessary. A lease shall be
5 conditioned upon the payment of a royalty at a rate of
6 not less than 12.5 percent in amount or value of the pro-
7 duction removed or sold from the lease. The Secretary
8 may issue a lease to the responsible qualified bidder with
9 the highest bid that is equal to or greater than the na-
10 tional minimum acceptable bid, with evaluation of the
11 value of the lands proposed for lease. The Secretary shall
12 decide whether to accept a bid and issue a lease within
13 90 days following payment by the successful bidder of the
14 remainder of the bonus bid, if any, and the annual rental
15 for the first lease year. All bids for less than the national
16 minimum acceptable bid shall be rejected.

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

24 “(I) to enhance financial returns to the United
25 States; and

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

3 “(ii) The proposal or promulgation of any regulation
4 to establish a higher minimum acceptable bid for a State
5 shall not be considered a major Federal action that is sub-
6 ject to the requirements of section 102(2)(C) of the Na-
7 tional Environmental Policy Act of 1969.”.

8 (c) RENTALS.—Section 17(d) of the Mineral Leasing
9 (30 U.S.C. 226(d)) is amended to read as follows:

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

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

22 “(B) to promote more efficient management of
23 oil and gas and alternative energy resources on Fed-
24 eral lands.

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

6 (d) ELIMINATION OF NONCOMPETITIVE LEASING.—
7 The Mineral Leasing Act is amended—

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

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

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

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

15 (B) by striking “competitive”;

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

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

19 (A) in paragraph (2) by striking “, or the
20 inclusion” and all that follows and inserting a
21 semicolon; and

22 (B) in paragraph (3) by striking “(A)”
23 and by striking subparagraph (B);

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

25 and

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

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

6 (B) by striking paragraph (2); and

7 (C) in paragraph (3) by striking “, appli-
8 cable to leases issued under subsection 17(c) of
9 this Act (30 U.S.C. 226(c)) except,” and insert-
10 ing “, except”.

11 **SEC. 305. ELECTRONIC REPORTING.**

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

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

22 (b) LEASE REINSTATEMENT.—Section 31(e) of the
23 Mineral Leasing Act (30 U.S.C. 188(e)) is amended by
24 adding at the end the following: “Upon request of such
25 a Committee, that Committee may receive notifications

1 under this subsection in electronic format in addition to
2 in writing, or in electronic format alone. The Committee
3 shall designate to the Secretary the appropriate individual
4 or individuals on the Committee to receive such electronic
5 notices.”.

6 **SEC. 306. BEST MANAGEMENT PRACTICES.**

7 Not later than one year after the date of enactment
8 of this Act, the Secretary of the Interior shall promulgate
9 final regulations that require oil and gas operators to use
10 best management practices that ensure the sound, effi-
11 cient, and environmentally responsible development of oil
12 and gas on Federal lands in a manner that avoids where
13 practical, minimizes, and mitigates actual and anticipated
14 impacts to environmental habitat functions resulting from
15 oil and gas development. Such regulations may allow the
16 Secretary to approve site-specific adjustments to address
17 unique issues and circumstances, on a case-by-case basis.
18 All such regulations shall be consistent with the United
19 States trust responsibility to Indian tribes.

20 **SEC. 307. COAL MINE METHANE RECOVERY.**

21 Section 2 of the Mineral Leasing Act (30 U.S.C. 201
22 et seq.) is amended by adding at the end the following:

23 “(e) Notwithstanding any other provision of law, any
24 Federal coal lease and any modification of an existing coal

1 lease issued under this section shall include terms that es-
2 tablish the following:

3 “(1) Coal mine methane released in conjunction
4 with mining activities shall be deemed to be included
5 within the scope of the coal lease if the United
6 States owns both the coal and gas resources.

7 “(2) Any coal lease issued on lands for which
8 the United States owns both the coal and gas re-
9 sources shall include a requirement that the lessee
10 recover the coal mine methane associated with the
11 leased coal resources to the maximum feasible ex-
12 tent, taking into account the economics of both the
13 mining and methane capture operations.

14 “(3) Prior to the issuance of a lease for recov-
15 ery of coal by deep mining operations, the Secretary
16 shall require an analysis to determine the extent to
17 which coal mine methane can be economically cap-
18 tured and either put to productive use or flared. The
19 cost of the analysis shall be paid by the lessee and
20 carried out by a person chosen by the Secretary with
21 professional qualifications in the capture of coal
22 mine methane and without financial or other eco-
23 nomic ties to the lessee.

24 “(4) If the Secretary determines that recovery
25 or flaring of coal mine methane under a lease is not

1 economically feasible pursuant to paragraph (2), or
2 cannot be carried out in a manner that assures the
3 protection of mine workers, coal mining under such
4 lease may proceed without requiring recovery or flar-
5 ing of the coal mine methane.

6 “(5) Any coal lease that involves federally
7 owned coal and nonfederally owned gas resources
8 shall require the coal operator to make a reasonable
9 effort to negotiate an arrangement with the gas
10 owner in advance of conducting any mining oper-
11 ations. If the coal lessee and gas owner are unable
12 to arrange for the joint development of the coal and
13 coal mine methane, and if the joint development of
14 those resources is economically feasible, the Sec-
15 retary may seek a court order to allow coal mining
16 and methane capture to proceed by the coal lessee,
17 subject to a reasonable division of the proceeds from
18 the sale of the coal and methane resources.

19 “(6) Any assessment of fair market value re-
20 quired by subsection (a)(1) shall include the value of
21 any Federal coal mine methane that is associated
22 with Federal coal resources and subject to capture
23 and use under this section.

24 “(7) Any Federal coal mine methane resources
25 that are captured and used or sold pursuant to a

1 Federal coal lease shall be subject to a royalty of not
2 less than 12.5 percent.”.

3 **SEC. 308. ENVIRONMENTAL REVIEW.**

4 Section 390 of the Energy Policy Act of 2005 (Public
5 Law 109–58; 42 U.S.C. 15942) is repealed.

6 **SEC. 309. AMENDMENTS TO OUTER CONTINENTAL SHELF**
7 **LANDS ACT.**

8 (a) CLARIFICATION RELATING TO ALTERNATIVE EN-
9 ERGY DEVELOPMENT.—Section 8(p)(1) of the Outer Con-
10 tinental Shelf Lands Act (43 U.S.C. 1337(p)(1)) is
11 amended—

12 (1) in the matter preceding subparagraph (A),
13 by striking “or other applicable law,”; and

14 (2) by amending subparagraph (D) to read as
15 follows:

16 “(D) use, for energy-related purposes, fa-
17 cilities currently or previously used for activities
18 authorized under this Act, except that any oil
19 and gas energy-related uses shall not be author-
20 ized in areas in which oil and gas preleasing,
21 leasing, and related activities are prohibited by
22 a moratorium.”.

23 (b) NONCOMPETITIVE ALTERNATIVE ENERGY LEASE
24 OPTIONS.—Section 8(p)(3) of such Act (43 U.S.C.
25 1337(p)(3)) is amended to read as follows:

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

5 “(A) the lease, easement, right-of-way, or
6 other authorization relates to a project that
7 meets the criteria established under section
8 388(d) of the Energy Policy Act of 2005 (43
9 U.S.C. 1337 note; Public Law 109–58);

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

12 “(i) is for the placement and oper-
13 ation of a meteorological or marine data
14 collection facility; and

15 “(ii) has a term of not more than 5
16 years; or

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

21 (c) OUTER CONTINENTAL SHELF LEASING PRO-
22 GRAM.—Section 18(a) of such Act (43 U.S.C. 1344(a))
23 is amended by adding at the end the following new para-
24 graph:

1 “(5) If a Strategic Plan has been approved
2 under section 603 of the Consolidated Land, En-
3 ergy, and Aquatic Resources Act of 2009 for a re-
4 gion of the outer Continental Shelf before publica-
5 tion of a proposed leasing program under subsection
6 (c)(3), the Secretary—

7 “(A) shall not include in such leasing pro-
8 gram any location in such region unless it is
9 identified in that Strategic Plan as being suit-
10 able for oil and gas leasing; and

11 “(B) shall comply with any restrictions on
12 the timing of leasing of such location as are
13 recommended in that Strategic Plan.”.

14 (d) DEPOSITS INTO OCEAN RESOURCES CONSERVA-
15 TION AND ASSISTANCE FUND.—Section 8 of such Act (43
16 U.S.C. 1337) is amended by adding at the end the fol-
17 lowing:

18 “(q) DEPOSITS INTO OCEAN RESOURCES CONSERVA-
19 TION AND ASSISTANCE FUND.—For fiscal year 2009 and
20 for each fiscal year thereafter, 10 percent of the revenues
21 generated by this section in that fiscal year shall be depos-
22 ited in the Ocean Resources Conservation and Assistance
23 Fund established by section 605 of the Consolidated Land,
24 Energy, and Aquatic Resources Act of 2009.”.

1 **TITLE IV—FULL FUNDING FOR**
2 **THE LAND AND WATER CON-**
3 **SERVATION FUND**

4 **SEC. 401. AMENDMENTS TO THE LAND AND WATER CON-**
5 **SERVATION FUND ACT OF 1965.**

6 Except as otherwise expressly provided, whenever in
7 this title an amendment or repeal is expressed in terms
8 of an amendment to, or repeal of, a section or other provi-
9 sion, the reference shall be considered to be made to a
10 section or other provision of the Land and Water Con-
11 servation Fund Act of 1965 (16 U.S.C. 460l–4 et seq.).

12 **SEC. 402. EXTENSION OF THE LAND AND WATER CON-**
13 **SERVATION FUND.**

14 Section 2 (16 U.S.C. 460l–5) is amended by striking
15 “September 30, 2015” both places it appears and insert-
16 ing “September 30, 2040”.

17 **SEC. 403. PERMANENT FUNDING.**

18 (a) IN GENERAL.—Section 3 (16 U.S.C. 460l–6) is
19 amended to read as follows:

20 “APPROPRIATIONS

21 “SEC. 3. Of the moneys covered into the fund,
22 \$900,000,000 shall be available each fiscal year for ex-
23 penditure for the purposes of this Act without further ap-
24 propriation.”.

1 (b) CONFORMING AMENDMENT.—Section 2(e)(2) (16
2 U.S.C. 4601–5(c)(2)) is amended by striking “: *Provided*,”
3 and all that follows through the end of the sentence and
4 inserting a period.

5 **SEC. 404. ALLOCATION OF FUNDS.**

6 Section 5 (16 U.S.C. 4601–7) is amended to read as
7 follows:

8 “ALLOCATION

9 “SEC. 5. Of the amounts made available for each fis-
10 cal year to carry out this Act—

11 “(1) 50 percent shall be used to provide finan-
12 cial assistance to States under section 6; and

13 “(2) 50 percent shall be used for Federal pur-
14 poses under section 7.”.

15 **TITLE V—NEW ONSHORE**
16 **LEASING AUTHORITY**
17 **Subtitle A—Solar and Wind**
18 **Leasing**

19 **SEC. 501. COMMERCIAL WIND AND SOLAR LEASING PRO-**
20 **GRAM.**

21 (a) IN GENERAL.—Pursuant to the Federal Land
22 Policy and Management Act of 1976 (43 U.S.C. 1701 et
23 seq.) and the National Forest Management Act of 1976
24 (16 U.S.C. 1600 et seq.), the Secretary, acting through
25 the Director, may issue leases, on a competitive basis, for
26 commercial solar or wind energy development on Federal

1 lands under the administrative jurisdiction of the Bureau
2 of Land Management or of the Forest Service, except that
3 the Secretary may not issue any such lease on National
4 Forest System lands over the objection of the Secretary
5 of Agriculture.

6 (b) FINAL REGULATIONS.—Not later than 18 months
7 after the date of enactment of this Act, the Secretary of
8 the Interior shall publish final regulations establishing a
9 commercial wind and solar leasing program under sub-
10 section (a).

11 (c) COMMENCEMENT OF COMMERCIAL LEASING FOR
12 SOLAR AND WIND ENERGY ON PUBLIC LANDS.—Not
13 later than 90 days after completion of regulations required
14 under subsection (b), or as soon as practicable thereafter,
15 and following consultation with affected governors and
16 other stakeholders, the Secretary shall conduct lease sales
17 under the regulations under this subtitle.

18 (d) EASEMENTS, SPECIAL-USE PERMITS, AND
19 RIGHTS-OF-WAY.—Upon completion of regulations re-
20 quired under subsection (b), easements, special-use per-
21 mits, and rights-of-way shall not be available for commer-
22 cial wind and solar projects on Federal lands under the
23 administrative jurisdiction of the Bureau of Land Man-
24 agement or Forest Service, except for the placement and
25 operation of testing or data collection devices or facilities

1 that will not result in the commercial sale of electric
2 power.

3 (e) NONCOMPETITIVE LEASING.—

4 (1) IN GENERAL.—The Secretary may issue
5 leases under this section on a noncompetitive basis
6 if—

7 (A) the lease is for resource data collection
8 or equipment testing;

9 (B) the lease will not result in the commer-
10 cial sale of electric power;

11 (C) the lease has a term of not more than
12 5 years; and

13 (D) the Secretary, after public notice of a
14 proposed lease, determines that there is no
15 competitive interest.

16 (2) PREFERENCE.—In any competitive lease
17 sale for lands subject to a lease awarded under this
18 subsection, the Secretary may give a preference to
19 the holder of the lease under this subsection.

20 (f) TRANSITION TO COMMERCIAL LEASING.—The
21 Secretary of the Interior, for lands under the jurisdiction
22 of the Bureau of Land Management, and the Secretary
23 of Agriculture, for lands under the jurisdiction of the For-
24 est Service, may issue an easement, special-use permit, or

1 right-of-way for a commercial wind or solar project for
2 which—

3 (1) a plan of development has been submitted
4 to the relevant Secretary before the date of enact-
5 ment of this Act; or

6 (2) a meteorological testing tower or other data
7 collection device has been installed under an ap-
8 proved easement, special-use permit, or right-of-way
9 before the date of enactment of this Act.

10 (g) DILIGENT DEVELOPMENT REQUIREMENTS.—The
11 Secretary shall, by regulation, designate work require-
12 ments and milestones to ensure that diligent development
13 is carried out under each lease issued under this subtitle.

14 **SEC. 502. LAND MANAGEMENT.**

15 The Secretary, in consultation with the Director of
16 the Bureau of Land Management and the Chief of the
17 Forest Service, shall issue regulations that—

18 (1) establish the duration of leases under this
19 subtitle;

20 (2) require the holder of a lease granted under
21 this subtitle to—

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

24 (B) upon completion of activities author-
25 ized by the lease provide for—

- 1 (i) the restoration of the area that is
2 subject to the lease to the condition in
3 which the area existed before the granting
4 of the lease; or
- 5 (ii) mitigation activities if restoration
6 to such condition is impractical; and
- 7 (C) comply with such other requirements
8 as the Director and affected Federal land man-
9 ager consider necessary to protect the interests
10 of the public and the United States; and
- 11 (3) establish best management practices and re-
12 quire renewable energy operators to comply with
13 those practices to ensure the sound, efficient, and
14 environmentally responsible development of wind and
15 solar resources on Federal lands in a manner that
16 shall avoid, minimize, and mitigate actual and an-
17 ticipated impacts to habitat and ecosystem function
18 resulting from such development and to areas pro-
19 posed for wilderness or other protection.

20 **SEC. 503. REVENUES.**

21 (a) ESTABLISHMENT OF PAYMENT REQUIRE-
22 MENTS.—The Secretary shall establish royalties, fees,
23 rentals, bonus bids, or other payments for leases issued
24 under this subtitle, that shall—

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

3 (2) ensure a fair return to the United States;
4 and

5 (3) be commensurate with similar payments for
6 the development of solar and wind energy on State
7 and private lands.

8 (b) DEPOSIT.—All revenues for payments established
9 under this section shall be deposited in the general fund
10 of the Treasury.

11 **SEC. 504. RECORDKEEPING AND REPORTING REQUIRE-**
12 **MENTS.**

13 (a) IN GENERAL.—A lessee, permit holder, operator,
14 or other person directly involved in developing, producing,
15 processing, transporting, purchasing, or selling renewable
16 energy under this title, through the point of royalty com-
17 putation, shall establish and maintain any records, make
18 any reports, and provide any information that the Sec-
19 retary may reasonably require for the purposes of imple-
20 menting this section or determining compliance with rules
21 or orders under this section. Such records shall include,
22 but not be limited to, periodic reports, records, documents,
23 and other data. Such reports may include, but not be lim-
24 ited to, pertinent technical and financial data relating to
25 the resources being developed under the lease. Upon the

1 request of any officer or employee duly designated by the
2 Secretary conducting an audit or investigation pursuant
3 to this section, the appropriate records, reports, or infor-
4 mation that may be required by this section shall be made
5 available for inspection and duplication by such officer or
6 employee. Failure by a claim holder, operator, or other
7 person referred to in the first sentence to cooperate with
8 such an audit, provide data required by the Secretary, or
9 grant access to information may, at the discretion of the
10 Secretary, result in involuntary forfeiture of the lease or
11 permit.

12 (b) MAINTENANCE.—Records required by the Sec-
13 retary under this section shall be maintained for 7 years
14 after release of financial assurance unless the Secretary
15 notifies the operator that the Secretary has initiated an
16 audit or investigation involving such records and that such
17 records must be maintained for a longer period. In any
18 case when an audit or investigation is underway, records
19 shall be maintained until the Secretary releases the oper-
20 ator of the obligation to maintain such records.

21 **SEC. 505. AUDITS.**

22 The Secretary may conduct such audits of all lessees
23 and permit holders, operators, transporters, purchasers,
24 processors, or other persons directly or indirectly involved
25 in the production or sales of renewable energy resources

1 covered by this Act, as the Secretary deems necessary for
2 the purposes of ensuring compliance with the require-
3 ments of this title. For purposes of performing such au-
4 dits, the Secretary shall, at reasonable times and upon re-
5 quest, have access to, and may copy, all books, papers and
6 other documents that relate to compliance with any provi-
7 sion of this section by any person.

8 **SEC. 506. TRADE SECRETS.**

9 Trade secrets, proprietary information, and other
10 confidential information protected from disclosure under
11 section 552 of title 5, United States Code (popularly
12 known as the Freedom of Information Act), shall be made
13 available by the Secretary to other Federal agencies as
14 necessary to assure compliance with this Act and other
15 Federal laws.

16 **SEC. 507. INTEREST AND SUBSTANTIAL UNDERREPORTING**
17 **ASSESSMENTS.**

18 (a) INTEREST.—In the case of renewable energy
19 leases or permits under which royalty payments are not
20 received by the Secretary on the date that such payments
21 are due, the Secretary shall charge interest on such under-
22 payments at the same interest rate as the rate applicable
23 under section 6621(a)(2) of the Internal Revenue Code of
24 1986. In the case of an underpayment, interest shall be

1 computed and charged only on the amount of the defi-
2 ciency and not on the total amount.

3 (b) PENALTY.—If there is any underreporting of roy-
4 alty owed on production from a lease or permit for any
5 production month by any person liable for royalty pay-
6 ments under this title, the Secretary shall assess a penalty
7 of not greater than 25 percent of the amount of that
8 underreporting.

9 (c) UNDERREPORTING DEFINED.—For the purposes
10 of this section, the term “underreporting” means the dif-
11 ference between the royalty on the value of the production
12 that should have been reported and the royalty on the
13 value of the production that was reported, if the value that
14 should have been reported is greater than the value that
15 was reported.

16 (d) WAIVER OR REDUCTION.—

17 (1) IN GENERAL.—The Secretary may waive or
18 reduce the assessment provided in subsection (b) if
19 the person liable for royalty payments under this
20 section corrects the underreporting before the date
21 such person receives notice from the Secretary that
22 an underreporting may have occurred, or before 90
23 days after the date of the enactment of this section,
24 whichever is later.

1 (2) REQUIRED WAIVER.—The Secretary shall
2 waive any portion of an assessment under subsection
3 (b) attributable to that portion of the underreporting
4 for which the person responsible for paying the roy-
5 alty demonstrates that—

6 (A) such person had written authorization
7 from the Secretary to report royalty on the
8 value of the production on basis on which it was
9 reported;

10 (B) such person had substantial authority
11 for reporting royalty on the value of the produc-
12 tion on the basis on which it was reported;

13 (C) such person previously had notified the
14 Secretary, in such manner as the Secretary may
15 by rule prescribe, of relevant reasons or facts
16 affecting the royalty treatment of specific pro-
17 duction that led to the underreporting; or

18 (D) such person meets any other exception
19 that the Secretary may, by rule, establish.

20 (e) EXPANDED ROYALTY OBLIGATIONS.—Each per-
21 son liable for royalty payments under this section shall
22 be jointly and severally liable for royalty on renewable en-
23 ergy resources produced under a lease issued under this
24 Act when such loss or waste is due to negligence on the

1 part of any person or due to the failure to comply with
 2 any rule, regulation, or order issued under this section.

3 (f) **FAILURE TO COMPLY WITH ROYALTY REQUIRE-**
 4 **MENTS.**—Any person who fails to comply with the require-
 5 ments of this section or any regulation or order issued to
 6 implement this section shall be liable for a civil penalty
 7 under section 109 of the Federal Oil and Gas Royalty
 8 Management Act of 1982 (30 U.S.C. 1719) to the same
 9 extent as if the failure to comply occurred under that Act.

10 (g) **DEPOSIT OF PENALTIES.**—All penalties collected
 11 under this subsection shall be deposited in the general
 12 fund of the Treasury.

13 **SEC. 508. INDIAN SAVINGS PROVISION.**

14 Nothing in this subtitle shall abridge, diminish, or
 15 alter any right or interest of any affected Indian tribe.
 16 Nothing in this subtitle shall authorize any Federal agency
 17 or official to abridge, diminish, or alter any right or inter-
 18 est of any affected Indian tribe.

19 **Subtitle B—Uranium Leasing**

20 **SEC. 511. FEDERAL LANDS URANIUM LEASING.**

21 The Mineral Leasing Act (30 U.S.C. 181 et seq.) is
 22 amended by redesignating section 44 as section 45, and
 23 by inserting after section 43 the following new section:

24 **“SEC. 44. LEASING OF LANDS FOR URANIUM MINING.**

25 **“(a) IN GENERAL.—**

1 “(1) WITHDRAWAL FROM ENTRY; LEASING RE-
2 QUIREMENT.—Effective upon the date of enactment
3 of the Consolidated Land, Energy, and Aquatic Re-
4 sources Act of 2009, all Federal lands are hereby
5 permanently withdrawn from location and entry
6 under section 2319 of the Revised Statutes (30
7 U.S.C. 22 et seq.) for uranium. After the end of the
8 2-year period beginning on such date of enactment,
9 no uranium may be produced from Federal lands ex-
10 cept pursuant to a lease issued under this Act.

11 “(2) LEASING.—The Secretary—

12 “(A) may divide any lands subject to this
13 Act that are not withdrawn from mineral leas-
14 ing and that are otherwise available for ura-
15 nium leasing under applicable law, including
16 lands available under the terms of land use
17 plans prepared by the Federal agency managing
18 the land, into leasing tracts of such size as the
19 Secretary finds appropriate and in the public
20 interest; and

21 “(B) thereafter shall, in the Secretary’s
22 discretion, upon the request of any qualified ap-
23 plicant or on the Secretary’s own motion, from
24 time to time, offer such lands for uranium leas-

1 ing and award uranium leases thereon by com-
2 petitive bidding.

3 “(b) FAIR MARKET VALUE REQUIRED.—

4 “(1) IN GENERAL.—No bid for a uranium lease
5 shall be accepted that is less than the fair market
6 value, as determined by the Secretary, of the ura-
7 nium subject to the lease.

8 “(2) PUBLIC COMMENT.—Prior to the Sec-
9 retary’s determination of the fair market value of
10 the uranium subject to the lease, the Secretary shall
11 give opportunity for and consideration to public com-
12 ments on the fair market value.

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

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

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

1 “(2) upon such conditions the head of such
2 other Federal agency may prescribe with respect to
3 the use and protection of the nonmineral interests in
4 those lands.

5 “(d) CONSIDERATION OF EFFECTS OF MINING.—Be-
6 fore issuing any uranium lease, the Secretary shall con-
7 sider effects that mining under the proposed lease might
8 have on an impacted community or area, including im-
9 pacts on the environment, on agricultural, on cultural re-
10 sources, and other economic activities, and on public serv-
11 ices.

12 “(e) NOTICE OF PROPOSED LEASE.—No lease sale
13 shall be held for lands until after a notice of the proposed
14 offering for lease has been given once a week for three
15 consecutive weeks in a newspaper of general circulation
16 in the county in which the lands are situated, or in elec-
17 tronic format, in accordance with regulations prescribed
18 by the Secretary.

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

22 “(1) under general regulations;

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

25 “(3) by oral bidding.

1 “(g) REQUIRED PAYMENTS.—

2 “(1) IN GENERAL.—A lease under this section
3 shall be conditioned upon the payment by the lessee
4 of—

5 “(A) a royalty at a rate of not less than
6 12.5 percent in amount or value of the produc-
7 tion removed or sold under the lease; and

8 “(B) a rental of—

9 “(i) not less than \$2.50 per acre per
10 year for the first through fifth years of the
11 lease; and

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

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

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

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

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

6 “(i) EXPLORATION LICENSES.—

7 “(1) IN GENERAL.—The Secretary may, under
8 such regulations as the Secretary may prescribe,
9 issue to any person an exploration license. No per-
10 son may conduct uranium exploration for commer-
11 cial purposes on lands subject to this Act without
12 such an exploration license. Each exploration license
13 shall be for a term of not more than two years and
14 shall be subject to a reasonable fee. An exploration
15 license shall confer no right to a lease under this
16 Act. The issuance of exploration licenses shall not
17 preclude the Secretary from issuing uranium leases
18 at such times and locations and to such persons as
19 the Secretary deems appropriate. No exploration li-
20 cense may be issued for any land on which a ura-
21 nium lease has been issued. A separate exploration
22 license shall be required for exploration in each
23 State. An application for an exploration license shall
24 identify general areas and probable methods of ex-
25 ploration. Each exploration license shall be limited

1 to specific geographic areas in each State as deter-
2 mined by the Secretary, and shall contain such rea-
3 sonable conditions as the Secretary may require, in-
4 cluding conditions to ensure the protection of the en-
5 vironment, and shall be subject to all applicable Fed-
6 eral, State, and local laws and regulations. Upon vio-
7 lation of any such conditions or laws the Secretary
8 may revoke the exploration license.

9 “(2) LIMITATIONS.—A licensee may not cause
10 substantial disturbance to the natural land surface.
11 A licensee may not remove any uranium for sale but
12 may remove a reasonable amount of uranium from
13 the lands subject to this Act included under the Sec-
14 retary’s license for analysis and study. A licensee
15 must comply with all applicable rules and regula-
16 tions of the Federal agency having jurisdiction over
17 the surface of the lands subject to this Act. Explo-
18 ration licenses covering lands the surface of which is
19 under the jurisdiction of any Federal agency other
20 than the Department of the Interior may be issued
21 only upon such conditions as it may prescribe with
22 respect to the use and protection of the nonmineral
23 interests in those lands.

24 “(3) SHARING OF DATA.—The licensee shall
25 furnish to the Secretary copies of all data (including

1 geological, geophysical, and core drilling analyses)
2 obtained during such exploration. The Secretary
3 shall maintain the confidentiality of all data so ob-
4 tained until after the areas involved have been leased
5 or until such time as the Secretary determines that
6 making the data available to the public would not
7 damage the competitive position of the licensee,
8 whichever comes first.

9 “(4) EXPLORATION WITHOUT A LICENSE.—Any
10 person who willfully conducts uranium exploration
11 for commercial purposes on lands subject to this Act
12 without an exploration license issued under this sub-
13 section shall be subject to a fine of not more than
14 \$1,000 for each day of violation. All data collected
15 by such person on any Federal lands as a result of
16 such violation shall be made immediately available to
17 the Secretary, who shall make the data available to
18 the public as soon as it is practicable. No penalty
19 under this subsection shall be assessed unless such
20 person is given notice and opportunity for a hearing
21 with respect to such violation.

22 “(j) CONVERSION OF MINING CLAIMS TO MINERAL
23 LEASES.—

24 “(1) IN GENERAL.—The owner of any mining
25 claim (in this subsection referred to as a ‘claimant’)

1 located prior to the date of enactment of the Con-
2 solidated Land, Energy, and Aquatic Resources Act
3 of 2009 may, within two years after such date, apply
4 to the Secretary of the Interior to convert the claim
5 to a lease under this section. The Secretary shall
6 issue a uranium lease under this section to the
7 claimant upon a demonstration by the claimant, to
8 the satisfaction of the Secretary, within one year
9 after the date of the application to the Secretary,
10 that the claim was, as of such date of enactment,
11 supported by the discovery of a valuable deposit of
12 uranium on the claimed land. The holder of a lease
13 issued upon conversion from a mining claim under
14 this subsection shall be subject to all the require-
15 ments of this section governing uranium leases, ex-
16 cept that the holder shall pay a royalty of 6.25 per-
17 cent on the value of the uranium produced under the
18 lease, until beginning ten years after the date the
19 claim is converted to a lease.

20 “(2) OTHER CLAIMS EXTINGUISHED.—All min-
21 ing claims located for uranium on Federal lands
22 whose claimant does not apply to the Secretary for
23 conversion to a lease, or whose claimant cannot
24 make such a demonstration of discovery, shall be-

1 come null and void by operation of law three years
2 after such date of enactment.”.

3 **TITLE VI—OUTER CONTINENTAL**
4 **SHELF COORDINATION AND**
5 **PLANNING**

6 **SEC. 601. REGIONAL OUTER CONTINENTAL SHELF COORDI-**
7 **NATION.**

8 (a) **IN GENERAL.**—The purpose of this title is to pro-
9 mote coordinated regional planning efforts, to require that
10 decisions are made using the best available science, and
11 to ensure the protection and maintenance of ecosystem
12 health in decisions affecting the siting of energy facilities
13 and development of Federal renewable and nonrenewable
14 energy resources on, in, or above the Outer Continental
15 Shelf for the long-term economic and environmental ben-
16 efit of the United States.

17 (b) **OBJECTIVES OF REGIONAL EFFORTS.**—Such re-
18 gional efforts shall achieve the following:

19 (1) Greater systematic communication and co-
20 ordination among Federal, coastal State, and af-
21 fected tribal governments concerned with the siting
22 and development of Federal renewable and non-
23 renewable energy resources on, in, or above the
24 Outer Continental Shelf.

1 (2) To the maximum extent feasible, greater re-
2 liance on a multiobjective, science- and ecosystem-
3 based, spatially explicit management approach that
4 integrates regional economic, ecological, affected
5 tribal, and social objectives into energy development
6 decisions.

7 (3) Identification and prioritization of shared
8 State and Federal energy development issues.

9 (4) Identification of data and information need-
10 ed by the Regional Outer Continental Shelf Councils
11 established under section 602.

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

14 (1) PACIFIC OUTER CONTINENTAL SHELF RE-
15 GION.—The Pacific Outer Continental Shelf Region,
16 which shall consist of the Outer Continental Shelf
17 adjacent to the States of Washington, Oregon, Cali-
18 fornia, and Hawaii.

19 (2) GULF OF MEXICO OUTER CONTINENTAL
20 SHELF REGION.—The Gulf of Mexico Outer Conti-
21 nental Shelf Region, which shall consist of the Outer
22 Continental Shelf adjacent to the States of Texas,
23 Louisiana, Mississippi, and Alabama, and the west
24 coast of Florida.

1 (3) ATLANTIC OUTER CONTINENTAL SHELF RE-
2 GION.—The Atlantic Outer Continental Shelf Re-
3 gion, which shall consist of the Outer Continental
4 Shelf adjacent to the States of Maine, New Hamp-
5 shire, Massachusetts, Rhode Island, Connecticut,
6 New York, New Jersey, Pennsylvania, Delaware,
7 Maryland, Virginia, North Carolina, South Carolina,
8 and Georgia, the east coast of Florida, and the
9 Straits of Florida Planning Area.

10 (4) ALASKA OUTER CONTINENTAL SHELF RE-
11 GION.—The Alaska Outer Continental Shelf Region,
12 which shall consist of the Outer Continental Shelf
13 adjacent to the State of Alaska.

14 **SEC. 602. REGIONAL OUTER CONTINENTAL SHELF COUN-**
15 **CILS.**

16 (a) IN GENERAL.—Within 180 days after the date
17 of enactment of this Act, the Secretary of the Interior and
18 the Secretary of Commerce, in consultation with the af-
19 fected coastal States and affected Indian tribes, shall es-
20 tablish or designate a Regional Outer Continental Shelf
21 Council for each of the Outer Continental Shelf Regions
22 designated by section 601(c).

23 (b) MEMBERSHIP.—

24 (1) FEDERAL REPRESENTATIVES.—Within 90
25 days after the date of enactment of this Act, the

1 Secretary of the Interior, in consultation with the
2 Secretary of Commerce, shall publish the titles of
3 the officials of each Federal agency and department
4 that shall participate in each Council. The Secretary
5 of the Interior, in consultation with the Secretary of
6 Commerce, shall include in such officials representa-
7 tives of each Federal agency and department that
8 has expertise in energy production facility siting and
9 development or ocean and coastal policy, or engages
10 in planning, management, or scientific activities that
11 significantly affect or inform the use of ocean wa-
12 ters, coastal waters, or ocean resources or other af-
13 fected uses. The Secretary of the Interior, or at the
14 Secretary of the Interior's discretion, the Secretary
15 of Commerce, shall serve as the chairperson of each
16 Council.

17 (2) COASTAL STATE REPRESENTATIVES.—

18 (A) NOTICE OF INTENT TO PARTICI-
19 PATE.—The Governor of each coastal State
20 within each Outer Continental Shelf Region
21 designated by section 601(c) shall within 3
22 months after the date of enactment of this Act,
23 inform the Secretary and the Secretary of Com-
24 merce whether or not the State intends to par-

1 participate in the Council for the Outer Conti-
2 nental Shelf Region.

3 (B) APPOINTMENT OF RESPONSIBLE
4 STATE OFFICIAL.—If the Governor of a coastal
5 State informs the Secretaries in accordance
6 with subparagraph (A) that the State intends
7 to participate in such Council, the Governor
8 shall appoint an officer or employee of the
9 coastal State agency with primary responsibility
10 for overseeing ocean and coastal policy or re-
11 source management to that Council.

12 (3) REGIONAL FISHERIES REPRESENTATION.—
13 The Chair of each Regional Fishery Management
14 Council with jurisdiction in the Outer Continental
15 Shelf Region of a Council and the executive director
16 of the interstate marine fisheries commission with
17 jurisdiction in the Outer Continental Shelf Region of
18 a Council shall each serve as a member of the Coun-
19 cil.

20 (4) REGIONAL OCEAN PARTNERSHIP REP-
21 RESENTATION.—A representative of any Regional
22 Ocean Partnership that has been established for any
23 part of the Outer Continental Shelf Region of a
24 Council may appoint a representative to serve on the

1 Council in addition to any Federal or State appoint-
2 ment.

3 (5) TRIBAL REPRESENTATION.—An appropriate
4 tribal official selected by affected Indian tribes situ-
5 ated in the affected Outer Continental Shelf Region
6 may elect to appoint a representative of such tribes
7 collectively to serve as a member of the Council.

8 (6) OTHER REPRESENTATION.—The Director
9 shall appoint such other representatives to serve on
10 a Council as the Director determines appropriate to
11 achieve balanced representation from the energy,
12 shipping and transportation, marine tourism, and
13 recreation industries, and from marine environ-
14 mental nongovernmental organizations, and scientific
15 and educational authorities with expertise in energy
16 siting and development, land and water resource
17 management, and conservation of ocean and coastal
18 species and the habitat that they depend upon.

19 (c) COORDINATION WITH EXISTING REGIONAL
20 OCEAN PARTNERSHIPS AND OTHER SIMILAR PRO-
21 GRAMS.—Each Council shall build upon and complement
22 current State, multistate, and regional capacity and gov-
23 ernance and institutional mechanisms to manage and pro-
24 tect ocean waters, coastal waters, and ocean resources.

1 **SEC. 603. REGIONAL OUTER CONTINENTAL SHELF STRA-**
2 **TEGIC PLANS.**

3 (a) INITIAL OUTER CONTINENTAL SHELF REGION
4 ASSESSMENT.—

5 (1) IN GENERAL.—The Secretary, in consulta-
6 tion with the Secretary of Commerce and the heads
7 of other Federal agencies authorized to provide ma-
8 rine ecosystem science expertise, shall, within one
9 year after the date of enactment of this Act, prepare
10 an initial assessment of each Outer Continental
11 Shelf Region that shall identify deficiencies in data
12 and information necessary to informed decision-
13 making. Each initial assessment shall to the extent
14 feasible—

15 (A) identify the Region’s potential alter-
16 native energy resources and energy-related min-
17 eral resources;

18 (B) identify the Region’s existing infra-
19 structure and projections for future trans-
20 mission requirements;

21 (C) document the health and relative envi-
22 ronmental sensitivity of the marine ecosystem
23 including a comprehensive survey of species,
24 habitats, and indicators of ecosystem health;

1 (D) identify marine habitat types and im-
2 portant marine ecological areas within the Re-
3 gion;

4 (E) assess the Region's marine economy
5 and cultural attributes; and

6 (F) inventory other existing uses of the
7 Outer Continental Shelf in the Region.

8 (2) DATA.—Each initial assessment shall—

9 (A) use the best available data;

10 (B) collect and provide data in a spatially
11 explicit manner wherever practicable and pro-
12 vide such data to the interagency comprehensive
13 digital mapping initiative as described in section
14 2 of Public Law 109–58 (42 U.S.C. 15801);
15 and

16 (C) make publicly available any such data
17 that is not classified information.

18 (b) REGIONAL OUTER CONTINENTAL SHELF STRA-
19 TEGIC PLANS.—

20 (1) REQUIREMENT.—Each Council shall, within
21 2 years after the completion of the initial Outer
22 Continental Shelf Region assessment, prepare and
23 submit to the Secretaries a multiobjective, science
24 and ecosystem-based, spatially explicit, integrated

1 marine energy and energy-related mineral resources
2 Strategic Plan in accordance with this subsection.

3 (2) MANAGEMENT OBJECTIVE.—The manage-
4 ment objective of the Strategic Plans under this sub-
5 section shall be to foster sustainable development of
6 additional energy resources from the Outer Conti-
7 nental Shelf, while protecting marine ecosystem
8 health and sustaining the long-term economic and
9 ecosystem values of the oceans.

10 (3) CONTENTS.—Each Strategic Plan prepared
11 by a Council shall—

12 (A) be based on the Outer Continental
13 Shelf Region assessment and updates for the
14 Region under subsections (a) and (c), respec-
15 tively;

16 (B) foster sustainable ocean energy devel-
17 opment in a manner that protects the health of
18 marine ecosystems;

19 (C) identify areas with potential for siting
20 and developing renewable and nonrenewable en-
21 ergy resources in the Outer Continental Shelf
22 Region covered by the Strategic Plan;

23 (D) identify and recommend long-term
24 monitoring needs for ecosystem health and so-
25 cioeconomic variables within the Outer Conti-

1 nental Shelf Region covered by the Strategic
2 Plan;

3 (E) identify existing State and Federal
4 regulating authorities within the Outer Conti-
5 nental Shelf Region covered by the Strategic
6 Plan;

7 (F) identify best available technologies that
8 can minimize adverse environmental impacts of
9 construction and operation of energy facilities
10 in the Region;

11 (G) identify additional research, informa-
12 tion, and data needed to carry out the Strategic
13 Plan;

14 (H) identify research, information, and
15 data needed to carry out the Strategic Plan;

16 (I) identify performance measures and
17 benchmarks for purposes of fulfilling the re-
18 sponsibilities under this section to be used to
19 evaluate the Strategic Plan's effectiveness; and

20 (J) define responsibilities and include an
21 analysis of the gaps in authority, coordination,
22 and resources, including funding, that must be
23 filled in order to fully achieve those perform-
24 ance measures and benchmarks.

1 (4) PUBLIC PARTICIPATION.—Each Council
2 shall provide adequate opportunities for review and
3 input by stakeholders and the general public during
4 the development of the Strategic Plan and any Stra-
5 tegic Plan revisions.

6 (c) UPDATED OUTER CONTINENTAL SHELF REGION
7 ASSESSMENTS.—The Secretary, in consultation with the
8 Secretary of Commerce, and in consultation with the ap-
9 propriate Council and other experts, shall update the ini-
10 tial Outer Continental Shelf Region assessment prepared
11 under subsection (a) in coordination with each plan revi-
12 sion under subsection (e), to provide more detailed infor-
13 mation regarding the required elements of the assessment
14 and to include any relevant new information that has be-
15 come available in the interim.

16 (d) REVIEW AND APPROVAL.—

17 (1) COMMENCEMENT OF REVIEW.—Within 10
18 days after transmittal of a Strategic Plan under this
19 section, or any revision to such a Strategic Plan, by
20 a Council, the Secretary, in consultation with the
21 Secretary of Commerce, shall commence a review of
22 the Strategic Plan or the revised Strategic Plan, re-
23 spectively.

24 (2) PUBLIC NOTICE AND COMMENT.—Imme-
25 diately after receipt of such a Strategic Plan or revi-

1 sion, the Secretary, in consultation with the Sec-
2 retary of Commerce, shall publish the Strategic Plan
3 or revision in the Federal Register and provide an
4 opportunity for the submission of public comment
5 for a 90-day period beginning on the date of such
6 publication.

7 (3) REQUIREMENTS FOR APPROVAL.—Before
8 approving a Strategic Plan, or any revision to a
9 Strategic Plan, the Secretary, in consultation with
10 the Secretary of Commerce, must find that the Stra-
11 tegic Plan or revision—

12 (A) is consistent with the Outer Conti-
13 nental Shelf Lands Act;

14 (B) complies with subsection (b); and

15 (C) complies with the purposes of this title
16 as identified in section 601(a).

17 (4) DEADLINE FOR COMPLETION.—Within 180
18 days after transmittal of a Strategic Plan, or a revi-
19 sion to a Strategic Plan, the Secretary, in consulta-
20 tion with the Secretary of Commerce, shall approve
21 or disapprove the Strategic Plan or revision by writ-
22 ten notice to the Council that submitted the Stra-
23 tegic Plan. If the Secretary disapproves the Stra-
24 tegic Plan, the Secretary, in consultation with the
25 Secretary of Commerce, shall transmit to the Coun-

1 cil that submitted the strategic Plan an identifica-
2 tion of the deficiencies in the Strategic Plan and rec-
3 ommendations to improve the Strategic Plan. The
4 Council shall submit a revised Strategic Plan to the
5 Secretaries within 180 days after the Secretary
6 transmits such deficiencies and recommendations.

7 (e) PLAN REVISION.—Each Strategic Plan that is ap-
8 proved by the Secretary of the Interior, in consultation
9 with the Secretary of Commerce, shall be reviewed and
10 revised by the relevant Council at least once every 5 years.
11 Such review and revision shall be based on the most re-
12 cently updated Outer Continental Shelf Region assess-
13 ment. Any proposed revisions to the Strategic Plan shall
14 be transmitted to the Secretaries for review and approval
15 pursuant to this section.

16 **SEC. 604. REGULATIONS.**

17 The Secretaries shall issue such regulations as the
18 Secretaries consider necessary to ensure proper adminis-
19 tration of this title.

20 **SEC. 605. OCEAN RESOURCES CONSERVATION AND ASSIST-**
21 **ANCE FUND.**

22 (a) ESTABLISHMENT.—

23 (1) IN GENERAL.—There is established in the
24 Treasury of the United States a separate account to
25 be known as the Ocean Resources Conservation and

1 Assistance Fund (in this section referred to as the
2 “ORCA Fund”).

3 (2) CREDITS.—The ORCA Fund shall be cred-
4 ited with amounts as specified in subsection (q) of
5 section 8 of the Outer Continental Shelf Lands Act
6 (43 U.S.C. 1337), as amended by section 401 of this
7 Act.

8 (3) ALLOCATION OF THE ORCA FUND.—

9 (A) IN GENERAL.—Of the amounts depos-
10 ited in the ORCA Fund each fiscal year—

11 (i) 50 percent shall be used by the
12 Secretary to make grants to coastal States
13 and affected Indian tribes under subsection
14 (b);

15 (ii) 40 percent shall be allocated by
16 the Secretary to the Ocean, Coastal and
17 Great Lakes Grants Program established
18 by subsection (c); and

19 (iii) 10 percent shall be used by the
20 Secretary to make grants to Regional
21 Ocean Partnerships under subsection (d).

22 (B) AVAILABILITY.—Amounts deposited in
23 the Fund shall be available to the Secretary of
24 Commerce (in this section referred to as the

1 “Secretary”) for allocation under subparagraph
2 (A) without further appropriation.

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

8 (b) GRANTS TO COASTAL STATES.—

9 (1) GRANT AUTHORITY.—The Secretary may
10 use amounts allocated under subsection (a)(3)(A)(i)
11 to make grants to—

12 (A) coastal States pursuant to the formula
13 established under section 306(e) of the Coastal
14 Zone Management Act of 1972 (16 U.S.C.
15 1455(c)); and

16 (B) to affected Indian tribes based on and
17 proportional to any specific coastal and ocean
18 management authority granted to an affected
19 tribe pursuant to affirmation of a Federal re-
20 served right.

21 (2) ELIGIBILITY.—To be eligible to receive a
22 grant under this subsection, a coastal State or af-
23 fected Indian tribe must prepare and revise a 5-year
24 plan and annual work plans that—

1 (A) demonstrate that activities for which
2 the coastal State or affected Indian tribe will
3 use the funds are consistent with the eligible
4 uses of the Fund identified in subsection (e);
5 and

6 (B) provide mechanisms to ensure that
7 funding is made available to government, non-
8 government, and academic entities to carry out
9 eligible activities at the county and local level.

10 (3) APPROVAL OF STATE AND AFFECTED TRIB-
11 AL PLANS.—Such plans must be submitted to and
12 approved by the Secretary.

13 (4) PUBLIC INPUT AND COMMENT.—In deter-
14 mining whether to approve such plans, the Secretary
15 shall provide opportunity for, and take into consider-
16 ation, public input and comment on the plans from
17 stakeholders and the general public.

18 (5) USE OF FUNDS.—Any amounts provided as
19 a grant under this subsection may only be used for
20 activities described in subsection (e).

21 (c) OCEAN AND COASTAL GRANTS PROGRAM.—

22 (1) ESTABLISHMENT.—The Secretary shall es-
23 tablish an Ocean, Coastal, and Great Lakes Grants
24 Program for the purposes of allocating funds avail-
25 able under subsection (a)(3)(A)(ii).

1 (2) OCEAN, COASTAL, AND GREAT LAKES COUN-
2 CIL.—

3 (A) IN GENERAL.—The Secretary shall es-
4 tablish an Ocean, Coastal, and Great Lakes
5 Council (in this section referred to as the
6 “Council”), which shall consist of 12 members
7 appointed by the Secretary with expertise in the
8 conservation and management of ocean, coastal,
9 and Great Lakes ecosystems and marine re-
10 sources. In appointing members to the Council,
11 the Secretary shall include a balanced diversity
12 of representatives of relevant Federal agencies,
13 affected Indian tribes, the private sector, non-
14 profit organizations, and academia.

15 (B) TERMS AND VACANCIES.—The term of
16 office of members of the Council shall be 3
17 years, except the Secretary shall designate
18 shorter terms of initial members of the Council
19 so that the terms of subsequent members are
20 staggered. Whenever a vacancy occurs among
21 members of the Council, the Secretary shall ap-
22 point an individual to fill that vacancy for the
23 remainder of the applicable term.

24 (C) OFFICERS OF THE COUNCIL.—The
25 Council shall have a Chair and a Vice Chair,

1 both of whom shall be elected by the Council by
2 and from its members. The Chair and Vice
3 Chair shall serve for a 3-year term, except that
4 the first Chair and Vice Chair may be elected
5 for a term of less than 3 years, as determined
6 by the Council. The Council may elect any
7 other officers it deems necessary to carry out
8 its duties under this Act.

9 (D) QUORUM.—Eight members of the
10 Council shall constitute a quorum for the trans-
11 action of business.

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

15 (F) STAFF.—The Chair of the Council
16 may hire staff as needed within the constraints
17 of available administrative funds to carry out
18 its duties under this Act.

19 (G) FUNCTIONS.—The Council shall—

20 (i) in consultation with the Secretary,
21 establish procedures for applying for a
22 grant under this subsection and criteria for
23 evaluating applications for such grants
24 consistent with subsection (e);

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

4 (iii) make recommendations to the
5 Secretary regarding which grant applica-
6 tions should be funded and the amount of
7 each grant; and

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

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

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, input and comment on the plans from stake-
22 holders and the general public.

23 (5) USE OF FUNDS.—Any amounts provided as
24 a grant under this subsection may only be used for
25 activities described in subsection (e).

1 (e) ELIGIBLE USE OF FUNDS.—Any funds made
2 available under this section may only be used for activities
3 that contribute to the conservation, protection, mainte-
4 nance, and restoration of ocean, coastal, and Great Lakes
5 ecosystems in a manner that is consistent with Federal
6 environmental laws and that avoids environmental
7 degradation, including—

8 (1) activities to conserve, protect, maintain, and
9 restore coastal, marine, and Great Lakes ecosystem
10 health;

11 (2) activities to protect marine biodiversity and
12 living marine and coastal resources and their habi-
13 tats, including fish populations;

14 (3) the development and implementation of
15 multiobjective, science- and ecosystem-based plans
16 for monitoring and managing the wide variety of
17 uses affecting ocean, coastal, and Great Lakes eco-
18 systems and resources that consider cumulative im-
19 pacts and are spatially explicit where appropriate;

20 (4) activities to improve the resiliency of those
21 ecosystems;

22 (5) activities to improve the ability of those eco-
23 systems to become more resilient, and to adapt to
24 and withstand the impacts of climate change and
25 ocean acidification;

1 (6) planning for and managing coastal develop-
2 ment to minimize the loss of life and property asso-
3 ciated with global climate change and the coastal
4 hazards resulting from it;

5 (7) research, assessment, monitoring, and dis-
6 semination of information that contributes to the
7 achievement of these purposes; and

8 (8) research of, protection of, enhancement to,
9 and activities to improve the resiliency of culturally
10 significant areas and resources.

11 **SEC. 606. WAIVER.**

12 The Federal Advisory Committee Act (5 U.S.C. App.)
13 shall not apply to the Regional Outer Continental Shelf
14 Councils established under section 602.

15 **SEC. 607. TRANSITION PERIOD.**

16 (a) **ACTIVITIES BEFORE APPROVAL OF STRATEGIC**
17 **PLAN.**—Prior to approval by the Secretary of a Strategic
18 Plan for an Outer Continental Shelf Region under section
19 603(d), the following activities shall not be affected by the
20 preparation or proposal of such a Plan:

21 (1) Initiation of the process to develop a new 5-
22 year leasing plan or amendment to such plan pursu-
23 ant to section 18 of the Outer Continental Shelf
24 Lands Act.

1 (2) Ongoing planning processes being conducted
2 for that Region pursuant to section 18 of the Outer
3 Continental Shelf Lands Act.

4 (3) Administrative procedures necessary to ap-
5 prove a 5-year plan developed pursuant to section 18
6 of the Outer Continental Shelf Lands Act, including
7 approval and adoption of a 5-year plan.

8 (4) Leasing activity being conducted in that Re-
9 gion under a 5-year leasing plan approved by the
10 Secretary of the Interior pursuant to section 18 of
11 the Outer Continental Shelf Lands Act.

12 (5) Other activities that the Secretary may au-
13 thorize pursuant to the Outer Continental Shelf
14 Lands Act.

15 (b) FAILURE TO PRODUCE A PLAN.—Failure by a
16 Council to produce a Strategic Plan for an Outer Conti-
17 nental Shelf Region, or failure of the Secretary, in con-
18 sultation with the Secretary of Commerce, to approve a
19 Strategic Plan for such a Region, shall not delay the proc-
20 ess of preparing and approving any new 5-year drilling
21 plan under the Outer Continental Shelf Lands Act and
22 shall not delay any activities being conducted pursuant to
23 an existing Outer Continental Shelf leasing program pre-
24 pared and approved by the Secretary under section 18 of

1 the Outer Continental Shelf Lands Act (43 U.S.C. 1344)
2 prior to the enactment of this Act.

3 **SEC. 608. ALTERNATIVE ENERGY ON THE OUTER CONTI-**
4 **NENTAL SHELF.**

5 (a) PRIOR TO APPROVAL OF STRATEGIC PLAN.—
6 Prior to approval of a Strategic Plan for an Outer Conti-
7 nental Shelf Region under subsection 603(d), the Sec-
8 retary of the Interior shall continue to implement without
9 delay the rule for Renewable Energy and Alternate Uses
10 of Existing Facilities on the Outer Continental Shelf, as
11 published in the Federal Register on April 29, 2009, in
12 that Region.

13 (b) APPROVAL OF STRATEGIC PLAN.—The approval
14 of a Strategic Plan shall not affect—

15 (1) projects for which leases have been obtained
16 under that rule prior to submittal of the Plan for
17 approval; and

18 (2) tracts of the Outer Continental Shelf for
19 which the competitive alternative energy leasing
20 process under that rule has been initiated prior to
21 submittal of the Plan for approval.

1 **TITLE VII—MISCELLANEOUS**
2 **PROVISIONS**

3 **SEC. 701. 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. 702. 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 in commercial quantities or is not included in a unit-
12 ization agreement under which production is not occurring
13 in commercial quantities.

14 (b) AMOUNT.—The amount of the fee shall be, for
15 each acre that is subject to a lease from which oil or nat-
16 ural gas is not produced in a calendar year, \$4 per acre
17 in 2009 dollars.

18 (c) ASSESSMENT AND COLLECTION.—The Secretary
19 shall assess and collect the fee established under this sec-
20 tion.

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

1 **SEC. 703. LEASING ON INDIAN LANDS.**

2 Nothing in this Act modifies, amends, or affects leas-
3 ing on Indian lands as currently carried out by the Bureau
4 of Indian Affairs.

5 **SEC. 704. OFFSHORE AQUACULTURE CLARIFICATION.**

6 (a) NO AUTHORITY.—The Secretary of Commerce,
7 the Administrator of the National Oceanic and Atmos-
8 pheric Administration, or the Regional Fishery Manage-
9 ment Councils shall not develop or approve a fishery man-
10 agement plan or fishery management plan amendment to
11 permit or regulate offshore aquaculture.

12 (b) PERMITS INVALID.—Any permit issued for the
13 conduct of offshore aquaculture, including the siting or op-
14 eration of offshore aquaculture facilities, under the Mag-
15 nuson-Stevens Fishery Conservation and Management Act
16 (16 U.S.C. 1801 et seq.) shall be invalid upon enactment
17 of this Act.

18 (c) DEFINITIONS.—In this section:

19 (1) OFFSHORE AQUACULTURE.—The term “off-
20 shore aquaculture” means all activities related to—

21 (A) the placement of any installation, facil-
22 ity, or structure in the exclusive economic zone
23 for the purposes of propagation or rearing, or
24 attempting to propagate or rear, any species; or

25 (B) the operation of offshore aquaculture
26 facilities in the exclusive economic zone involved

1 in the propagation or rearing, or attempted
2 propagation or rearing, of species.

3 (2) OFFSHORE AQUACULTURE FACILITY.—The
4 term “offshore aquaculture facility” means—

5 (A) a structure, installation, or other com-
6 plex used, in whole or in part, for offshore
7 aquaculture; or

8 (B) an area of the seabed or the subsoil
9 used for offshore aquaculture.

○