To amend the Outer Continental Shelf Lands Act to reform the management of energy and mineral resources on the Outer Continental Shelf, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 21, 2010

Mr. BINGAMAN (for himself, Ms. MURKOWSKI, and Mr. DORGAN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Outer Continental Shelf Lands Act to reform the management of energy and mineral resources on the Outer Continental Shelf, and for other purposes.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Outer Continental Shelf Reform Act of 2010”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purposes.
Sec. 3. Definitions.
Sec. 4. National policy for the outer Continental Shelf.
Sec. 5. Structural reform of outer Continental Shelf program management.
Sec. 6. Safety, environmental, and financial reform of the Outer Continental Shelf Lands Act.
Sec. 7. Reform of other laws.
Sec. 8. Savings provisions.
Sec. 9. Budgetary effects.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to rationalize and reform the responsibilities of the Secretary of the Interior with respect to the management of the outer Continental Shelf in order to improve the management, oversight, accountability, safety, and environmental protection of all the resources on the outer Continental Shelf;

(2) to provide independent development and enforcement of safety and environmental laws (including regulations) governing—

(A) energy development and mineral extraction activities on the outer Continental Shelf; and

(B) related offshore activities; and

(3) to ensure a fair return to the taxpayer from, and independent management of, royalty and revenue collection and disbursement activities from mineral and energy resources.

SEC. 3. DEFINITIONS.

In this Act:
(1) DEPARTMENT.—The term “Department” means the Department of the Interior.

(2) OUTER CONTINENTAL SHELF.—The term “outer Continental Shelf” has the meaning given the term in section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331).

(3) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

SEC. 4. NATIONAL POLICY FOR THE OUTER CONTINENTAL SHELF.

Section 3 of the Outer Continental Shelf Lands Act (43 U.S.C. 1332) is amended—

(1) by striking paragraph (3) and inserting the following:

“(3) the outer Continental Shelf is a vital national resource reserve held by the Federal Government for the public, which should be managed in a manner that recognizes—

“(A) the need of the United States for domestic sources of energy, food, minerals, and other resources;

“(B) the potential impacts of development of those resources on the marine and coastal environment and on human health and safety; and
“(C) the long-term economic value to the
United States of the balanced and orderly man-
agement of those resources that safeguards the
environment and respects the multiple values
and uses of the outer Continental Shelf;”;
(2) in paragraph (4)(C), by striking the period
at the end and inserting a semicolon;
(3) in paragraph (5), by striking “; and” and
inserting a semicolon;
(4) by redesignating paragraph (6) as para-
graph (7);
(5) by inserting after paragraph (5) the fol-
lowing:
“(6) exploration, development, and production
of energy and minerals on the outer Continental
Shelf should be allowed only when those activities
can be accomplished in a manner that provides rea-
sonable assurance of adequate protection against
harm to life, health, the environment, property, or
other users of the waters, seabed, or subsoil; and”;
and
(6) in paragraph (7) (as so redesignated)—
(A) by striking “should be” and inserting
“shall be”; and
5

(B) by adding “best available” after “using”.

SEC. 5. STRUCTURAL REFORM OF OUTER CONTINENTAL SHELF PROGRAM MANAGEMENT.

(a) IN GENERAL.—The Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) is amended by adding to the end the following:

“SEC. 32. STRUCTURAL REFORM OF OUTER CONTINENTAL SHELF PROGRAM MANAGEMENT.

“(a) LEASING, PERMITTING, AND REGULATION BUREAUS.—

“(1) ESTABLISHMENT OF BUREAUS.—

“(A) IN GENERAL.—Subject to the discretion granted by Reorganization Plan Number 3 of 1950 (64 Stat. 1262; 43 U.S.C. 1451 note), the Secretary shall establish in the Department of the Interior not more than 2 bureaus to carry out the leasing, permitting, and safety and environmental regulatory functions vested in the Secretary by this Act and the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) related to the outer Continental Shelf.

“(B) CONFLICTS OF INTEREST.—In establishing the bureaus under subparagraph (A),
the Secretary shall ensure, to the maximum ex-
tent practicable, that any potential organiza-
tional conflicts of interest related to leasing,
revenue creation, environmental protection, and
safety are eliminated.

“(2) DIRECTOR.—Each bureau shall be headed
by a Director, who shall be appointed by the Presi-
dent, by and with the advice and consent of the Sen-
ate.

“(3) COMPENSATION.—Each Director shall be
compensated at the rate provided for level V of the
Executive Schedule under section 5316 of title 5,
United States Code.

“(4) QUALIFICATIONS.—Each Director shall be
a person who, by reason of professional background
and demonstrated ability and experience, is specially
qualified to carry out the duties of the office.

“(b) ROYALTY AND REVENUE OFFICE.—

“(1) ESTABLISHMENT OF OFFICE.—Subject to
the discretion granted by Reorganization Plan Num-
ber 3 of 1950 (64 Stat. 1262; 43 U.S.C. 1451 note),
the Secretary shall establish in the Department of
the Interior an office to carry out the royalty and
revenue management functions vested in the Sec-
retary by this Act and the Federal Oil and Gas Roy-
ality Management Act of 1982 (30 U.S.C. 1701 et seq.).

“(2) DIRECTOR.—The office established under paragraph (1) shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate.

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

“(4) QUALIFICATIONS.—The Director shall be a person who, by reason of professional background and demonstrated ability and experience, is specially qualified to carry out the duties of the office.

“(c) OCS SAFETY AND ENVIRONMENTAL ADVISORY BOARD.—

“(1) ESTABLISHMENT.—The Secretary shall establish, under the Federal Advisory Committee Act (5 U.S.C. App.), an Outer Continental Shelf Safety and Environmental Advisory Board (referred to in this subsection as the ‘Board’), to provide the Secretary and the Directors of the bureaus established under this section with independent scientific and technical advice on safe and environmentally compli-
ant energy and mineral resource exploration, development, and production activities.

“(2) Membership.—

“(A) Size.—

“(i) IN GENERAL.—The Board shall consist of not more than 12 members, chosen to reflect a range of expertise in scientific, engineering, management, and other disciplines related to safe and environmentally compliant energy and mineral resource exploration, development, and production activities.

“(ii) Consultation.—The Secretary shall consult with the National Academy of Sciences and the National Academy of Engineering to identify potential candidates for membership on the Board.

“(B) Term.—The Secretary shall appoint Board members to staggered terms of not more than 4 years, and shall not appoint a member for more than 2 consecutive terms.

“(C) Chair.—The Secretary shall appoint the Chair for the Board.

“(3) Meetings.—The Board shall—
“(A) meet not less than 3 times per year; and

“(B) at least once per year, shall host a public forum to review and assess the overall safety and environmental performance of outer Continental Shelf energy and mineral resource activities.

“(4) REPORTS.—Reports of the Board shall—

“(A) be submitted to Congress; and

“(B) made available to the public in an electronically accessible form.

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

“(d) SPECIAL PERSONNEL AUTHORITIES.—

“(1) DIRECT HIRING AUTHORITY FOR CRITICAL PERSONNEL.—
“(A) IN GENERAL.—Notwithstanding sections 3104, 3304, and 3309 through 3318 of title 5, United States Code, the Secretary may, upon a determination that there is a severe shortage of candidates or a critical hiring need for particular positions, recruit and directly appoint highly qualified accountants, scientists, engineers, or critical technical personnel into the competitive service, as officers or employees of any of the organizational units established under this section.

“(B) REQUIREMENTS.—In exercising the authority granted under subparagraph (A), the Secretary shall ensure that any action taken by the Secretary—

“(i) is consistent with the merit principles of chapter 23 of title 5, United States Code; and

“(ii) complies with the public notice requirements of section 3327 of title 5, United States Code.

“(2) CRITICAL PAY AUTHORITY.—

“(A) IN GENERAL.—Notwithstanding section 5377 of title 5, United States Code, and without regard to the provisions of that title
governing appointments in the competitive service or the Senior Executive Service and chapters 51 and 53 of that title (relating to classification and pay rates), the Secretary may establish, fix the compensation of, and appoint individuals to critical positions needed to carry out the functions of any of the organizational units established under this section, if the Secretary certifies that—

“(i) the positions—

“(I) require expertise of an extremely high level in a scientific or technical field; and

“(II) any of the organizational units established in this section would not successfully accomplish an important mission without such an individual; and

“(ii) exercise of the authority is necessary to recruit an individual exceptionally well qualified for the position.

“(B) LIMITATIONS.—The authority granted under subparagraph (A) shall be subject to the following conditions:
“(i) The number of critical positions authorized by subparagraph (A) may not exceed 40 at any 1 time in either of the bureaus established under this section.

“(ii) The term of an appointment under subparagraph (A) may not exceed 4 years.

“(iii) An individual appointed under subparagraph (A) may not have been an employee of the Department of the Interior during the 2-year period prior to the date of appointment.

“(iv) Total annual compensation for any individual appointed under subparagraph (A) may not exceed the highest total annual compensation payable at the rate determined under section 104 of title 3, United States Code.

“(v) An individual appointed under subparagraph (A) may not be considered to be an employee for purposes of subchapter II of chapter 75 of title 5, United States Code.

“(C) NOTIFICATION.—Each year, the Secretary shall submit to Congress a notification
that lists each individual appointed under this paragraph.

“(3) REEMPLOYMENT OF CIVILIAN RETIREES.—

“(A) IN GENERAL.—Notwithstanding part 553 of title 5, Code of Federal Regulations (relating to reemployment of civilian retirees to meet exceptional employment needs), or successor regulations, the Secretary may approve the reemployment of an individual to a particular position without reduction or termination of annuity if the hiring of the individual is necessary to carry out a critical function of any of the organizational units established under this section for which suitably qualified candidates do not exist.

“(B) LIMITATIONS.—An annuitant hired with full salary and annuities under the authority granted by subparagraph (A)—

“(i) shall not be considered an employee for purposes of subchapter III of chapter 83 and chapter 84 of title 5, United States Code;
“(ii) may not elect to have retirement contributions withheld from the pay of the annuitant;

“(iii) may not use any employment under this paragraph as a basis for a supplemental or recomputed annuity; and

“(iv) may not participate in the Thrift Savings Plan under subchapter III of chapter 84 of title 5, United States Code.

“(C) LIMITATION ON TERM.—The term of employment of any individual hired under subparagraph (A) may not exceed an initial term of 2 years, with an additional 2-year appointment under exceptional circumstances.

“(e) CONTINUITY OF AUTHORITY.—Subject to the discretion granted by Reorganization Plan Number 3 of 1950 (64 Stat. 1262; 43 U.S.C. 1451 note), any reference in any law, rule, regulation, directive, or instruction, or certificate or other official document, in force immediately prior to the date of enactment of this section—

“(1) to the Minerals Management Service that pertains to any of the duties and authorities described in this section shall be deemed to refer and apply to the appropriate bureaus and offices established under this section;
“(2) to the Director of the Minerals Management Service that pertains to any of the duties and authorities described in this section shall be deemed to refer and apply to the Director of the bureau or office under this section to whom the Secretary has assigned the respective duty or authority; and

“(3) to any other position in the Minerals Management Service that pertains to any of the duties and authorities described in this section shall be deemed to refer and apply to that same or equivalent position in the appropriate bureau or office established under this section.”.

(b) CONFORMING AMENDMENT.—Section 5316 of title 5, United States Code, is amended by striking “Director, Bureau of Mines, Department of the Interior” and inserting the following:

“Bureau Directors, Department of the Interior (2).

“Director, Royalty and Revenue Office, Department of the Interior.”.
SEC. 6. SAFETY, ENVIRONMENTAL, AND FINANCIAL RE-
FORM OF THE OUTER CONTINENTAL SHELF
LANDS ACT.

(a) DEFINITIONS.—Section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331) is amended by adding at the end the following:

“(r) SAFETY CASE.—The term ‘safety case’ means a body of evidence that provides a basis for determining whether a system is adequately safe for a given application in a given environment.”.

(b) ADMINISTRATION OF LEASING.—Section 5(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1334(a)) is amended in the second sentence—

(1) by striking “The Secretary may at any time” and inserting “The Secretary shall”; and

(2) by inserting after “provide for” the following: “operational safety, the protection of the marine and coastal environment,”.

(c) MAINTENANCE OF LEASES.—Section 6 of the Outer Continental Shelf Lands Act (43 U.S.C. 1335) is amended by adding at the end the following:

“(f) REVIEW OF BOND AND SURETY AMOUNTS.—Not later than May 1, 2011, and every 5 years thereafter, the Secretary shall—

“(1) review the minimum bond amounts for mineral leases under subsection (a)(11); and
“(2) set any bonds, surety, or other evidence of financial responsibility required in amounts adequate to permit lessees to fulfill all obligations under this Act or the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.).

“(g) PERIODIC FISCAL REVIEWS AND REPORTS.—

“(1) Royalty rates.—

“(A) In general.—Not later than 1 year after the date of enactment of this subsection and every 3 years thereafter, the Secretary shall carry out a review of, and prepare a report that describes—

“(i) the royalty and rental rates included in new offshore oil and gas leases and the rationale for the rates;

“(ii) whether, in the view of the Secretary, the royalty and rental rates described in subparagraph (A) would yield a fair return to the public while promoting the production of oil and gas resources in a timely manner; and

“(iii) whether, based on the review, the Secretary intends to modify the royalty or rental rates.
“(B) PUBLIC PARTICIPATION.—In carrying out a review and preparing a report under subparagraph (A), the Secretary shall provide to the public an opportunity to participate.

“(2) COMPARATIVE REVIEW OF FISCAL SYSTEM.—

“(A) IN GENERAL.—Not later than 2 years after the date of enactment of this subsection and every 5 years thereafter, the Secretary in consultation with the Secretary of the Treasury, shall carry out a comprehensive review of all components of the Federal offshore oil and gas fiscal system, including requirements for bonus bids, rental rates, royalties, oil and gas taxes, and oil and gas fees.

“(B) INCLUSIONS.—The review shall include—

“(i) information and analyses comparing the offshore bonus bids, rents, royalties, taxes, and fees of the Federal Government to the offshore bonus bids, rents, royalties, taxes, and fees of other resource owners (including States and foreign countries); and
“(ii) an assessment of the overall offshore oil and gas fiscal system in the United States, as compared to foreign countries.

“(C) INDEPENDENT ADVISORY COMMITTEE.—In carrying out a review under this paragraph, the Secretary shall convene and seek the advice of an independent advisory committee comprised of oil and gas and fiscal experts from States, Indian tribes, academia, the energy industry, and appropriate nongovernmental organizations.

“(D) REPORT.—The Secretary shall prepare a report that contains—

“(i) the contents and results of the review carried out under this paragraph for the period covered by the report; and

“(ii) any recommendations of the Secretary and the Secretary of the Treasury based on the contents and results of the review.

“(3) REPORT DEADLINE.—Not later than 30 days after the date on which the Secretary completes each report under this subsection, the Secretary shall submit copies of the report to—
“(A) the Committee on Energy and Natural Resources of the Senate;
“(B) the Committee on Finance of the Senate;
“(C) the Committee on Natural Resources of the House of Representatives; and
“(D) the Committee on Ways and Means of the House of Representatives.”.

(d) LEASES, EASEMENTS, AND RIGHTS-OF-WAY.—

Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by striking subsection (d) and inserting the following:

“(d) DISQUALIFICATION FROM BIDDING.—No bid for a lease may be submitted by any entity that the Secretary finds, after notice and opportunity for a hearing—
“(1) is not meeting due diligence, safety, or environmental requirements on other leases; or
“(2)(A) is a responsible party for a vessel or a facility from which oil is discharged, for purposes of section 1002 of the Oil Pollution Act of 1990 (33 U.S.C. 2702); and
“(B) has failed to meet the obligations of the responsible party under that Act to provide compensation for covered removal costs and damages.”.
(c) EXPLORATION PLANS.—Section 11 of the Outer Continental Shelf Lands Act (43 U.S.C. 1340) is amended—

(1) in subsection (c)—

(A) in the fourth sentence of paragraph (1), by striking “within thirty days of its submission” and inserting “by the deadline described in paragraph (5)”;

(B) by striking paragraph (3) and inserting the following:

“(3) MINIMUM REQUIREMENTS.—

“(A) IN GENERAL.—An exploration plan submitted under this subsection shall include, in such degree of detail as the Secretary by regulation may require—

“(i) a complete description and schedule of the exploration activities to be undertaken;

“(ii) a description of the equipment to be used for the exploration activities, including—

“(I) a description of the drilling unit;
“(II) a statement of the design and condition of major safety-related pieces of equipment;

“(III) a description of any new technology to be used; and

“(IV) a statement demonstrating that the equipment to be used meets the best available technology requirements under section 21(b);

“(iii) a map showing the location of each well to be drilled;

“(iv)(I) a scenario for the potential blowout of the well involving the highest potential volume of liquid hydrocarbons; and

“(II) a complete description of a response plan to control the blowout and manage the accompanying discharge of hydrocarbons, including—

“(aa) the technology and timeline for regaining control of the well; and

“(bb) the strategy, organization, and resources necessary to avoid harm to the environment and human health from hydrocarbons; and
“(v) any other information determined to be relevant by the Secretary.

“(B) Deepwater wells.—

“(i) In general.—Before conducting exploration activities in water depths greater than 500 feet, the holder of a lease shall submit to the Secretary for approval a deepwater operations plan prepared by the lessee in accordance with this subparagraph.

“(ii) Technology requirements.—A deepwater operations plan under this subparagraph shall be based on the best available technology to ensure safety in carrying out the exploration activity and the blowout response plan.

“(iii) Systems analysis required.—The Secretary shall not approve a deepwater operations plan under this subparagraph unless the plan includes a technical systems analysis of—

“(I) the safety of the proposed exploration activity;

“(II) the blowout prevention technology; and
“(III) the blowout and spill response plans.”; and

(C) by adding at the end the following:

“(5) DEADLINE FOR APPROVAL.—

“(A) IN GENERAL.—In the case of a lease issued under a sale held after March 17, 2010, the deadline for approval of an exploration plan referred to in the fourth sentence of paragraph (1) is—

“(i) the date that is 90 days after the date on which the plan or the modifications to the plan are submitted; or

“(ii) the date that is not later than an additional 180 days after the deadline described in clause (i), if the Secretary makes a finding that additional time is necessary to complete any environmental, safety, or other reviews.

“(B) EXISTING LEASES.—In the case of a lease issued under a sale held on or before March 17, 2010, the Secretary, with the consent of the holder of the lease, may extend the deadline applicable to the lease for such additional time as the Secretary determines is nec-
necessary to complete any environmental, safety, or other reviews.”;

(2) by redesignating subsections (e) through (h) as subsections (f) through (i), respectively; and

(3) by striking subsection (d) and inserting the following:

“(d) DRILLING PERMITS.—

“(1) IN GENERAL.—The Secretary shall, by regulation, require that any lessee operating under an approved exploration plan obtain a permit—

“(A) before the lessee drills a well in accordance with the plan; and

“(B) before the lessee significantly modifies the well design originally approved by the Secretary.

“(2) ENGINEERING REVIEW REQUIRED.—The Secretary may not grant any drilling permit until the date of completion of a full engineering review of the well system, including a determination that—

“(A) critical safety systems (including blowout prevention) will use best available technology; and

“(B) blowout prevention systems will include redundancy and remote triggering capability.
“(3) Modification review required.—The Secretary may not approve any modification of a permit without a determination, after an additional engineering review, that the modification will not degrade the safety of the well system previously approved.

“(4) Operator safety and environmental management required.—The Secretary may not grant any drilling permit or modification of the permit until the date of completion and approval of a safety and environmental management plan that—

“(A) is to be used by the operator during all well operations; and

“(B) includes—

“(i) a description of the expertise and experience level of crew members who will be present on the rig; and

“(ii) designation of at least 2 environmental and safety managers that—

“(I) are employees of the operator;

“(II) would be present on the rig at all times; and

“(III) have overall responsibility for the safety and environmental man-
agement of the well system and spill response plan; and

“(C) not later than May 1, 2012, requires that all employees on the rig meet the training and experience requirements under section 21(b)(4).

“(e) DISAPPROVAL OF EXPLORATION PLAN.—

“(1) IN GENERAL.—The Secretary shall disapprove an exploration plan submitted under this section if the Secretary determines that, because of exceptional geological conditions in the lease areas, exceptional resource values in the marine or coastal environment, or other exceptional circumstances, that—

“(A) implementation of the exploration plan would probably cause serious harm or damage to life (including fish and other aquatic life), property, mineral deposits, national security or defense, or the marine, coastal or human environments;

“(B) the threat of harm or damage would not disappear or decrease to an acceptable extent within a reasonable period of time; and
“(C) the advantages of disapproving the exploration plan outweigh the advantages of exploration.

“(2) COMPENSATION.—If an exploration plan is disapproved under this subsection, the provisions of subparagraphs (B) and (C) of section 25(h)(2) shall apply to the lease and the plan or any modified plan, except that the reference in section 25(h)(2)(C) to a development and production plan shall be considered to be a reference to an exploration plan.”.

(f) OUTER CONTINENTAL SHELF LEASING PROGRAM.—Section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) is amended—

(1) in subsection (a)—

(A) in the second sentence, by inserting after “national energy needs” the following: “and the need for the protection of the marine and coastal environment and resources”;

(B) in paragraph (1), by striking “considers” and inserting “gives equal consideration to”; and

(C) in paragraph (3), by striking “, to the maximum extent practicable,”;

(2) in subsection (b)—
(A) in paragraph (3), by striking “and” at the end;

(B) in paragraph (4), by striking the period at the end and inserting “; and”;

(C) by adding at the end the following:

“(5) provide technical review and oversight of the exploration plan and a systems review of the safety of the well design and other operational decisions;

“(6) conduct regular and thorough safety reviews and inspections, and;

“(7) enforce all applicable laws (including regulations).”;

(3) in the second sentence of subsection (d)(2), by inserting “, the head of an interested Federal agency,” after “Attorney General”;

(4) in the first sentence of subsection (g), by inserting before the period at the end the following: “, including existing inventories and mapping of marine resources previously undertaken by the Department of the Interior and the National Oceanic and Atmospheric Administration, information provided by the Department of Defense, and other available data regarding energy or mineral resource potential, navigation uses, fisheries, aquaculture uses, rec-
relational uses, habitat, conservation, and military
uses on the outer Continental Shelf’’; and

(5) by adding at the end the following:

‘‘(i) RESEARCH AND DEVELOPMENT.—

‘‘(1) IN GENERAL.—The Secretary shall carry
out a program of research and development to en-
sure the continued improvement of methodologies for
characterizing resources of the outer Continental
Shelf and conditions that may affect the ability to
develop and use those resources in a safe, sound,
and environmentally responsible manner.

‘‘(2) INCLUSIONS.—Research and development
activities carried out under paragraph (1) may in-
clude activities to provide accurate estimates of en-
ergy and mineral reserves and potential on the outer
Continental Shelf and any activities that may assist
in filling gaps in environmental data needed to de-
velop each leasing program under this section.

‘‘(3) LEASING ACTIVITIES.—Research and de-
velopment activities carried out under paragraph (1)
shall not be considered to be leasing or pre-leasing
activities for purposes of this Act’’.

(g) ENVIRONMENTAL STUDIES.—Section 20 of the
Outer Continental Shelf Lands Act (43 U.S.C. 1346) is
amended—
(1) by redesignating subsections (a) through (f)
as subsections (b) through (g), respectively;

(2) by inserting before subsection (b) (as so re-
designated) the following:

“(a) COMPREHENSIVE AND INDEPENDENT STUD-
IES.—

“(1) IN GENERAL.—The Secretary shall develop
and carry out programs for the collection, evalu-
ation, assembly, analysis, and dissemination of envi-
ronmental and other resource data that are relevant
to carrying out the purposes of this Act.

“(2) SCOPE OF RESEARCH.—The programs
under this subsection shall include—

“(A) the gathering of baseline data in
areas before energy or mineral resource devel-
opment activities occur;

“(B) ecosystem research and monitoring
studies to support integrated resource manage-
ment decisions; and

“(C) the improvement of scientific under-
standing of the fate, transport, and effects of
discharges and spilled materials, including deep
water hydrocarbon spills, in the marine environ-
ment.
“(3) Use of Data.—The Secretary shall ensure that information from the studies carried out under this section—

“(A) informs the management of energy and mineral resources on the outer Continental Shelf including any areas under consideration for oil and gas leasing; and

“(B) contributes to a broader coordination of energy and mineral resource development activities within the context of best available science.

“(4) Independence.—The Secretary shall create a program within the appropriate bureau established under section 32 that shall—

“(A) be programmatically separate and distinct from the leasing program;

“(B) carry out the environmental studies under this section;

“(C) conduct additional environmental studies relevant to the sound management of energy and mineral resources on the outer Continental Shelf;

“(D) provide for external scientific review of studies under this section, including through
appropriate arrangements with the National Academy of Sciences; and

“(E) subject to the restrictions of subsections (g) and (h) of section 18, make available to the public studies conducted and data gathered under this section.”; and

(3) in the first sentence of subsection (b)(1) (as so redesignated), by inserting “every 3 years” after “shall conduct”.

(h) SAFETY RESEARCH AND REGULATIONS.—Section 21 of the Outer Continental Shelf Lands Act (43 U.S.C. 1347) is amended—

(1) in the first sentence of subsection (a), by striking “Upon the date of enactment of this section,” and inserting “Not later than May 1, 2011, and every 3 years thereafter,”;

(2) by striking subsection (b) and inserting the following:

“(b) BEST AVAILABLE TECHNOLOGIES AND PRACTICES.—

“(1) IN GENERAL.—In exercising respective responsibilities under this Act, the Secretary, and the Secretary of the Department in which the Coast Guard is operating, shall require, on all new drilling and production operations and, to the maximum ex-
tent practicable, on existing operations, the use of
the best available and safest technologies and prac-
tices, if the failure of equipment would have a sig-
nificant effect on safety, health, or the environment.

“(2) IDENTIFICATION OF BEST AVAILABLE
TECHNOLOGIES.—Not later than May 1, 2011, and
not later than every 3 years thereafter, the Secretary
shall identify and publish an updated list of best
available technologies for key areas of well design
and operation, including blowout prevention and
blowout and oil spill response.

“(3) SAFETY CASE.—Not later than May 1,
2011, the Secretary shall promulgate regulations re-
quiring a safety case be submitted along with each
new application for a permit to drill on the outer
Continental Shelf.

“(4) EMPLOYEE TRAINING.—

“(A) IN GENERAL.—Not later than May 1,
2011, the Secretary shall promulgate regula-
tions setting standards for training for all
workers on offshore facilities (including mobile
offshore drilling units) conducting energy and
mineral resource exploration, development, and
production operations on the outer Continental
Shelf.
“(B) Requirements.—The training standards under this paragraph shall require that employers of workers described in subpara-
graph (A)—

“(i) establish training programs ap-
proved by the Secretary; and

“(ii) demonstrate that employees in-
volved in the offshore operations meet standards that demonstrate the aptitude of the employees in critical technical skills.

“(C) Experience.—The training stand-
ards under this section shall require that any offshore worker with less than 5 years of ap-
plied experience in offshore facilities operations pass a certification requirement after receiving the appropriate training.

“(D) Monitoring Training Courses.—
The Secretary shall ensure that Department employees responsible for inspecting offshore fa-
cilities monitor, observe, and report on training courses established under this paragraph, in-
cluding attending a representative number of the training sessions, as determined by the Sec-
retary.”; and

(3) by adding at the end the following:
“(g) Technology Research and Risk Assessment Program.—

“(1) In General.—The Secretary shall carry out a program of research, development, and risk assessment to address technology and development issues associated with outer Continental Shelf energy and mineral resource activities, with the primary purpose of informing the role of research, development, and risk assessment relating to safety, environmental protection, and spill response.

“(2) Specific Areas of Focus.—The program under this subsection shall include research, development, and other activities related to—

“(A) risk assessment, using all available data from safety and compliance records both within the United States and internationally;

“(B) analysis of industry trends in technology, investment, and interest in frontier areas;

“(C) analysis of incidents investigated under section 22;

“(D) reviews of best available technologies, including technologies associated with pipelines, blowout preventer mechanisms, casing, well de-
sign, and other associated infrastructure related to offshore energy development;

“(E) oil spill response and mitigation;
“(F) risks associated with human factors; and
“(G) renewable energy operations.

“(3) INFORMATION SHARING ACTIVITIES.—
“(A) DOMESTIC ACTIVITIES.—The Secretary shall carry out programs to facilitate the exchange and dissemination of scientific and technical information and best practices related to the management of safety and environmental issues associated with energy and mineral resource exploration, development, and production.

“(B) INTERNATIONAL COOPERATION.—
The Secretary shall carry out programs to cooperate with international organizations and foreign governments to share information and best practices related to the management of safety and environmental issues associated with energy and mineral resource exploration, development, and production.

“(4) REPORTS.—The program under this subsection shall provide to the Secretary, each Bureau
Director under section 32, and the public quarterly reports that address—

“(A) developments in each of the areas under paragraph (2); and

“(B)(i) any accidents that have occurred in the past quarter; and

“(ii) appropriate responses to the accidents.

“(5) INDEPENDENCE.—The Secretary shall create a program within the appropriate bureau established under section 32 that shall—

“(A) be programmatically separate and distinct from the leasing program;

“(B) carry out the studies, analyses, and other activities under this subsection;

“(C) provide for external scientific review of studies under this section, including through appropriate arrangements with the National Academy of Sciences; and

“(D) make available to the public studies conducted and data gathered under this section.

“(6) USE OF DATA.—The Secretary shall ensure that the information from the studies and research carried out under this section inform the de-
development of safety practices and regulations as required by this Act and other applicable laws.”.

(i) Enforcement.—Section 22 of the Outer Continental Shelf Lands Act (43 U.S.C. 1348) is amended—

(1) in subsection (d)—

(A) in paragraph (1)—

(i) in the first sentence, by inserting “each loss of well control, blowout, activation of the blowout preventer, and other accident that presented a serious risk to human or environmental safety,” after “fire”; and

(ii) in the last sentence, by inserting “as a condition of the lease” before the period at the end;

(B) in the last sentence of paragraph (2), by inserting “as a condition of lease” before the period at the end;

(2) in subsection (e)—

(A) by striking “(e) The” and inserting the following:

“(e) Review of Alleged Safety Violations.—

“(1) In general.—The”; and

(B) by adding at the end the following:
“(2) INVESTIGATION.—The Secretary shall investigate any allegation from any employee of the lessee or any subcontractor of the lessee made under paragraph (1).”; and

(3) by adding at the end of the section the following:

“(g) INDEPENDENT INVESTIGATION.—

“(1) IN GENERAL.—At the request of the Secretary, the National Transportation Safety Board may conduct an independent investigation of any accident, occurring in the outer Continental Shelf and involving activities under this Act, that does not otherwise fall within the definition of an accident or major marine casualty, as those terms are used in chapter 11 of title 49, United States Code.

“(2) TRANSPORTATION ACCIDENT.—For purposes of an investigation under this subsection, the accident that is the subject of the request by the Secretary shall be determined to be a transportation accident within the meaning of that term in chapter 11 of title 49, United States Code.

“(h) INFORMATION ON CAUSES AND CORRECTIVE ACTIONS.—

“(1) IN GENERAL.—For each incident investigated under this section, the Secretary shall
promptly make available to all lessees and the public technical information about the causes and corrective actions taken.

“(2) PUBLIC DATABASE.—All data and reports related to an incident described in paragraph (1) shall be maintained in a database that is available to the public.

“(i) INSPECTION FEE.—

“(1) IN GENERAL.—The Secretary shall collect a non-refundable inspection fee, which shall be deposited in the Ocean Energy Enforcement Fund established under paragraph (3), from the designated operator for facilities subject to inspection under subsection (e).

“(2) ESTABLISHMENT.—The Secretary shall establish, by rule, inspection fees—

“(A) at an aggregate level equal to the amount necessary to offset the annual expenses of inspections of outer Continental Shelf facilities (including mobile offshore drilling units) by the Department of the Interior; and

“(B) using a schedule that reflects the differences in complexity among the classes of facilities to be inspected.
“(3) Ocean Energy Enforcement Fund.—

There is established in the Treasury a fund, to be known as the ‘Ocean Energy Enforcement Fund’ (referred to in this subsection as the ‘Fund’), into which shall be deposited amounts collected under paragraph (1) and which shall be available as provided under paragraph (4).

“(4) Availability of fees.—Notwithstanding section 3302 of title 31, United States Code, all amounts collected by the Secretary under this section—

“(A) shall be credited as offsetting collections;

“(B) shall be available for expenditure only for purposes of carrying out inspections of outer Continental Shelf facilities (including mobile offshore drilling units) and the administration of the inspection program;

“(C) shall be available only to the extent provided for in advance in an appropriations Act; and

“(D) shall remain available until expended.

“(5) Annual reports.—

“(A) In general.—Not later than 60 days after the end of each fiscal year beginning
with fiscal year 2011, the Secretary shall sub-
mit to the Committee on Energy and Natural
Resources of the Senate and the Committee on
Natural Resources of the House of Representa-
tives a report on the operation of the Fund dur-
ing the fiscal year.

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

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

“(ii) A description of the expenditures
made from the Fund for the fiscal year, in-
cluding the purpose of the expenditures.

“(iii) Recommendations for additional
authorities to fulfill the purpose of the
Fund.

“(iv) A statement of the balance re-
mainning in the Fund at the end of the fis-
cal year.”.

(j) REMEDIES AND PENALTIES.—Section 24 of the
Outer Continental Shelf Lands Act (43 U.S.C. 1350) is
amended—

(1) by striking subsection (b) and inserting the
following:
“(b) Civil Penalty.—

“(1) In General.—Subject to paragraphs (2) through (3), if any person fails to comply with this Act, any term of a lease or permit issued under this Act, or any regulation or order issued under this Act, the person shall be liable for a civil administrative penalty of not more than $75,000 for each day of continuance of each failure.

“(2) Administration.—The Secretary may assess, collect, and compromise any penalty under paragraph (1).

“(3) Hearing.—No penalty shall be assessed under this subsection until the person charged with a violation has been given the opportunity for a hearing.

“(4) Adjustment.—The penalty amount specified in this subsection shall increase each year to reflect any increases in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.”;

(2) in subsection (e)—

(A) in the first sentence, by striking “$100,000” and inserting “$10,000,000”; and

(B) by adding at the end the following:

“The penalty amount specified in this sub-
section shall increase each year to reflect any
increases in the Consumer Price Index for All
Urban Consumers published by the Bureau of
Labor Statistics of the Department of Labor.”;
and
(3) in subsection (d), by inserting “, or with
reckless disregard,” after “knowingly and willfully”.

(k) OIL AND GAS DEVELOPMENT AND PRODUC-
TION.—Section 25 of the Outer Continental Shelf Lands
Act (43 U.S.C. 1351) is amended by striking “, other than
the Gulf of Mexico,” each place it appears in subsections
(a)(1), (b), and (e)(1).

SEC. 7. REFORM OF OTHER LAWS.

(a) COORDINATED MAPPING INITIATIVE.—Section
388(b) of the Energy Policy Act of 2005 (43 U.S.C. 1337
note; Public Law 109–58) is amended by adding at the
end the following:

“(4) FEDERAL AGENCIES.—Any head of a Fed-
eral department or agency shall, on request of the
Secretary, provide to the Secretary all data and in-
formation that the Secretary determines to be nec-
essary for the purpose of including the data and in-
formation in the mapping initiative, except that no
Federal department or agency shall be required to
provide any data or information that is privileged or proprietary.”.

(b) DEDICATED FUNDING FOR OUTER CONTINENTAL SHELF RESEARCH ACTIVITIES.—Section 999H(d) of the Energy Policy Act of 2005 (42 U.S.C. 16378(d)) is amended by striking paragraph (4) and inserting the following:

“(4) 25 percent shall be used for research activities required under sections 20 and 21 of the Outer Continental Shelf Lands Act (43 U.S.C. 1346, 1347).”.

SEC. 8. SAVINGS PROVISIONS.

(a) EXISTING LAW.—All regulations, rules, standards, determinations, contracts and agreements, memoranda of understanding, certifications, authorizations, appointments, delegations, results and findings of investigations, or any other actions issued, made, or taken by, or pursuant to or under, the authority of any law (including regulations) that resulted in the assignment of functions or activities to the Secretary, the Director of the Minerals Management Service (including by delegation from the Secretary), or the Department (as related to the implementation of the purposes referenced in this Act) that were in effect on the date of enactment of this Act shall continue in full force and effect after the date of enact-
ment of this Act unless previously scheduled to expire or
until otherwise modified or rescinded by this Act or any
other Act.

(b) Effect on Other Authorities.—This Act
does not amend or alter the provisions of other applicable
laws, unless otherwise noted.

SEC. 9. BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of
complying with the Statutory Pay-As-You-Go Act of 2010,
shall be determined by reference to the latest statement
titled “Budgetary Effects of PAYGO Legislation” for this
Act, submitted for printing in the Congressional Record
by the Chairman of the Senate Budget Committee, pro-
vided that such statement has been submitted prior to the
vote on passage.