

113TH CONGRESS  
1ST SESSION

# H. R. 2231

To amend the Outer Continental Shelf Lands Act to increase energy exploration and production on the Outer Continental Shelf, provide for equitable revenue sharing for all coastal States, implement the reorganization of the functions of the former Minerals Management Service into distinct and separate agencies, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2013

Mr. HASTINGS of Washington (for himself, Mr. LAMBORN, Mr. CRAMER, Mr. FLORES, Mr. DUNCAN of South Carolina, Mr. LAMALFA, and Mr. WITTMAN) introduced the following bill; which was referred to the Committee on Natural Resources

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## A BILL

To amend the Outer Continental Shelf Lands Act to increase energy exploration and production on the Outer Continental Shelf, provide for equitable revenue sharing for all coastal States, implement the reorganization of the functions of the former Minerals Management Service into distinct and separate agencies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Offshore Energy and  
3 Jobs Act”.

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

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

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—OUTER CONTINENTAL SHELF LEASING PROGRAM  
REFORMS

Sec. 101. Outer Continental Shelf leasing program reforms.

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

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

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

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

Sec. 202. South Carolina lease sale.

Sec. 203. Southern California existing infrastructure lease sale.

Sec. 204. Environmental impact statement requirement.

Sec. 205. National defense.

Sec. 206. Eastern Gulf of Mexico not included.

TITLE III—EQUITABLE SHARING OF OUTER CONTINENTAL  
SHELF REVENUES

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

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

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

Sec. 402. Bureau of Ocean Energy.

Sec. 403. Ocean Energy Safety Service.

Sec. 404. Office of Natural Resources revenue.

Sec. 405. Ethics and drug testing.

Sec. 406. Abolishment of Minerals Management Service.

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

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

Sec. 409. Outer Continental Shelf inspection fees.

TITLE V—UNITED STATES TERRITORIES

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

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

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

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

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

20 “(B) The Secretary shall include in each pro-  
21 posed oil and gas leasing program under this section  
22 any State subdivision of an outer Continental Shelf  
23 planning area that the Governor of the State that  
24 represents that subdivision requests be made avail-  
25 able for leasing. The Secretary may not remove such

1 a subdivision from the program until publication of  
2 the final program.

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

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

11 “(i) are estimated to contain more than  
12 2,500,000,000 barrels of oil; or

13 “(ii) are estimated to contain more than  
14 7,500,000,000,000 cubic feet of natural gas.

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

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

22 **GOAL.**

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

1       “(b) DOMESTIC OIL AND NATURAL GAS PRODUC-  
2 TION GOAL.—

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

9           “(A) the best estimate of the possible in-  
10 crease in domestic production of oil and natural  
11 gas from the outer Continental Shelf;

12           “(B) focused on meeting domestic demand  
13 for oil and natural gas and reducing the de-  
14 pendence of the United States on foreign en-  
15 ergy; and

16           “(C) focused on the production increases  
17 achieved by the leasing program at the end of  
18 the 15-year period beginning on the effective  
19 date of the program.

20           “(2) PROGRAM GOAL.—For purposes of the 5-  
21 year oil and gas leasing program, the production  
22 goal referred to in paragraph (1) shall be an in-  
23 crease by 2032 of—

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

1           “(B) no less than 10,000,000,000 cubic  
2           feet in the amount of natural gas produced per  
3           day.

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

14 **SEC. 103. DEVELOPMENT AND SUBMITTAL OF NEW 5-YEAR**  
15                                   **OIL AND GAS LEASING PROGRAM.**

16          (a) IN GENERAL.—The Secretary of the Interior  
17          shall—

18                 (1) by not later than July 15, 2014, publish  
19                 and submit to Congress a new proposed oil and gas  
20                 leasing program under section 18 of the Outer Con-  
21                 tinental Shelf Lands Act (43 U.S.C. 1344) for the  
22                 5-year period beginning on such date and ending  
23                 July 15, 2020; and

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

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

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

15          **TITLE II—ENHANCING THE 2012–**  
16                 **2017 FIVE-YEAR OUTER CON-**  
17                 **TINENTAL SHELF OIL AND**  
18                 **GAS LEASING PROGRAM**

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

22          (a) IN GENERAL.—Notwithstanding the inclusion of  
23          Lease Sale 220 in the Final Outer Continental Shelf Oil  
24          & Gas Leasing Program 2012–2017, the Secretary of the  
25          Interior shall conduct offshore oil and gas Lease Sale 220

1 under section 8 of the Outer Continental Shelf Lands Act  
2 (43 U.S.C. 1337) as soon as practicable, but not later  
3 than one year after the date of enactment of this Act.

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

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



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

5           (2) Allowing effective exploration, development,  
6 and production of our Nation’s oil, gas, and renew-  
7 able energy resources.

8 (d) DEFINITIONS.—In this section:

9           (1) LEASE SALE 220.—The term “Lease Sale  
10 220” means such lease sale referred to in the Re-  
11 quest for Comments on the Draft Proposed 5-Year  
12 Outer Continental Shelf (OCS) Oil and Gas Leasing  
13 Program for 2010–2015 and Notice of Intent To  
14 Prepare an Environmental Impact Statement (EIS)  
15 for the Proposed 5-Year Program published January  
16 21, 2009 (74 Fed. Reg. 3631).

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

22           (A) a northern boundary consisting of a  
23 straight line extending from the northernmost  
24 point of Virginia’s seaward boundary to the  
25 point on the seaward boundary of the United

1 States exclusive economic zone located at 37 de-  
2 grees 17 minutes 1 second North latitude, 71  
3 degrees 5 minutes 16 seconds West longitude;  
4 and

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

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

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

1 Outer Continental Shelf”, published January 3, 2006 (71  
2 Fed. Reg. 127).

3 **SEC. 203. SOUTHERN CALIFORNIA EXISTING INFRASTRUC-**  
4 **TURE LEASE SALE.**

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

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

17 **SEC. 204. ENVIRONMENTAL IMPACT STATEMENT REQUIRE-**  
18 **MENT.**

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

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

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

8 (2) the Secretary shall only—

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

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

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

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

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

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

12 **SEC. 206. EASTERN GULF OF MEXICO NOT INCLUDED.**

13 Nothing in this Act affects restrictions on oil and gas  
 14 leasing under the Gulf of Mexico Energy Security Act of  
 15 2006 (title I of division C of Public Law 109–432; 43  
 16 U.S.C. 1331 note).

17 **TITLE III—EQUITABLE SHARING**  
 18 **OF OUTER CONTINENTAL**  
 19 **SHELF REVENUES**

20 **SEC. 301. DISPOSITION OF OUTER CONTINENTAL SHELF**  
 21 **REVENUES TO COASTAL STATES.**

22 (a) IN GENERAL.—Section 9 of the Outer Conti-  
 23 nental Shelf Lands Act (43 U.S.C. 1338) is amended—  
 24 (1) in the existing text—

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

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

5 (B) in subsection (c) (as designated by the  
6 amendment made by subparagraph (A) of this  
7 paragraph), by striking “for the period from  
8 June 5, 1950, to date, and thereafter” and in-  
9 serting “in the period beginning June 5, 1950,  
10 and ending on the date of enactment of the Off-  
11 shore Energy and Jobs Act”;

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

14 “(d) DEFINITIONS.—In this section:

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

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

19 “(A) means amounts received by the  
20 United States as bonuses, rents, and royalties  
21 under leases for oil and gas, wind, tidal, or  
22 other energy exploration, development, and pro-  
23 duction on areas of the outer Continental Shelf  
24 that are authorized to be made available for  
25 leasing as a result of enactment of the Offshore

1 Energy and Jobs Act and leasing under that  
2 Act; and

3 “(B) does not include amounts received by  
4 the United States under any lease of an area lo-  
5 cated in the boundaries of the Central Gulf of  
6 Mexico and Western Gulf of Mexico Outer Con-  
7 tinental Shelf Planning Areas on the date of en-  
8 actment of the Offshore Energy and Jobs Act,  
9 including a lease issued before, on, or after  
10 such date of enactment.”; and

11 (3) by inserting before subsection (c) (as so  
12 designated) the following:

13 “(a) PAYMENT OF NEW LEASING REVENUES TO  
14 COASTAL STATES.—

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

22 “(2) PHASE-IN.—

23 “(A) IN GENERAL.—Except as provided in  
24 subparagraph (B), paragraph (1) shall be ap-  
25 plied—

1           “(i) with respect to new leasing reve-  
2           nues under leases awarded under the first  
3           leasing program under section 18(a) that  
4           takes effect after the date of enactment of  
5           the Offshore Energy and Jobs Act, by sub-  
6           stituting ‘12.5 percent’ for ‘37.5 percent’;  
7           and

8           “(ii) with respect to new leasing reve-  
9           nues under leases awarded under the sec-  
10          ond leasing program under section 18(a)  
11          that takes effect after the date of enact-  
12          ment of the Offshore Energy and Jobs  
13          Act, by substituting ‘25 percent’ for ‘37.5  
14          percent’.

15          “(B) EXEMPTED LEASE SALES.—This  
16          paragraph shall not apply with respect to any  
17          lease issued under title II of the Offshore En-  
18          ergy and Jobs Act.

19          “(b) ALLOCATION OF PAYMENTS.—

20                 “(1) IN GENERAL.—The amount of new leasing  
21                 revenues received by the United States with respect  
22                 to a leased tract that are required to be paid to  
23                 coastal States in accordance with this subsection  
24                 each fiscal year shall be allocated among and paid  
25                 to coastal States that are within 200 miles of the



1 leased tract, in amounts that are inversely propor-  
2 tional to the respective distances between the point  
3 on the coastline of each such State that is closest to  
4 the geographic center of the lease tract, as deter-  
5 mined by the Secretary.

6 “(2) MINIMUM AND MAXIMUM ALLOCATION.—  
7 The amount allocated to a coastal State under para-  
8 graph (1) each fiscal year with respect to a leased  
9 tract shall be—

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

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

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

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

1           “(A) shall be available to the coastal State  
2 without further appropriation;

3           “(B) shall remain available until expended;  
4 and

5           “(C) shall be in addition to any other  
6 amounts available to the coastal State under  
7 this Act.

8           “(4) USE OF FUNDS.—

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

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

19           (b) LIMITATION ON APPLICATION.—This section and  
20 the amendment made by this section shall not affect the  
21 application of section 105 of the Gulf of Mexico Energy  
22 Security Act of 2006 (title I of division C of Public Law  
23 109–432; (43 U.S.C. 1331 note)), as in effect before the  
24 enactment of this Act, with respect to revenues received  
25 by the United States under oil and gas leases issued for

1 tracts located in the Western and Central Gulf of Mexico  
2 Outer Continental Shelf Planning Areas, including such  
3 leases issued on or after the date of the enactment of this  
4 Act.

5 **TITLE IV—REORGANIZATION OF**  
6 **MINERALS MANAGEMENT**  
7 **AGENCIES OF THE DEPART-**  
8 **MENT OF THE INTERIOR**

9 **SEC. 401. ESTABLISHMENT OF UNDER SECRETARY FOR EN-**  
10 **ERGY, LANDS, AND MINERALS AND ASSIST-**  
11 **ANT SECRETARY OF OCEAN ENERGY AND**  
12 **SAFETY.**

13 There shall be in the Department of the Interior—

14 (1) an Under Secretary for Energy, Lands, and  
15 Minerals, who shall—

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

18 (B) report to the Secretary of the Interior  
19 or, if directed by the Secretary, to the Deputy  
20 Secretary of the Interior;

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

23 (D) be responsible for—

24 (i) the safe and responsible develop-  
25 ment of our energy and mineral resources

1 on Federal lands in appropriate accordance  
2 with United States energy demands; and

3 (ii) ensuring multiple-use missions of  
4 the Department of the Interior that pro-  
5 mote the safe and sustained development  
6 of energy and minerals resources on public  
7 lands (as that term is defined in the Fed-  
8 eral Land Policy and Management Act of  
9 1976 (43 U.S.C. 1701 et seq.));

10 (2) an Assistant Secretary of Ocean Energy  
11 and Safety, who shall—

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

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

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

18 (D) be responsible for ensuring safe and  
19 efficient development of energy and minerals on  
20 the Outer Continental Shelf of the United  
21 States; and

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

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

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

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

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

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

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

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

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

22 (b) DIRECTOR.—

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

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

5           (c) DUTIES.—

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

12          (2) SPECIFIC AUTHORITIES.—The Director  
13          shall promulgate and implement regulations—

14                (A) for the proper issuance of leases for  
15                the exploration, development, and production of  
16                nonrenewable and renewable energy and min-  
17                eral resources on the Outer Continental Shelf;

18                (B) relating to resource identification, ac-  
19                cess, evaluation, and utilization;

20                (C) for development of leasing plans, lease  
21                sales, and issuance of leases for such resources;  
22                and

23                (D) regarding issuance of environmental  
24                impact statements related to leasing and post  
25                leasing activities including exploration, develop-

1           ment, and production, and the use of third  
2           party contracting for necessary environmental  
3           analysis for the development of such resources.

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

7                   (A) required by section 403 to be carried  
8                   out through the Ocean Energy Safety Service;  
9                   or

10                   (B) required by section 404 to be carried  
11                   out through the Office of Natural Resources  
12                   Revenue.

13           (d) RESPONSIBILITIES OF LAND MANAGEMENT  
14           AGENCIES.—Nothing in this section shall affect the au-  
15           thorities of the Bureau of Land Management under the  
16           Federal Land Policy and Management Act of 1976 (43  
17           U.S.C. 1701 et seq.) or of the Forest Service under the  
18           National Forest Management Act of 1976 (Public Law  
19           94–588).

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

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

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

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

5           (b) DIRECTOR.—

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

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

12          (c) DUTIES.—

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



1           (2) SPECIFIC AUTHORITIES.—The Director  
2 shall be responsible for all safety activities related to  
3 exploration and development of renewable and min-  
4 eral resources on the Outer Continental Shelf, in-  
5 cluding—

6           (A) exploration, development, production,  
7 and ongoing inspections of infrastructure;

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

14           (C) cancelling any lease, permit, or right-  
15 of-way on the Outer Continental Shelf, in ac-  
16 cordance with section 5(a)(2) of the Outer Con-  
17 tinental Shelf Lands Act (43 U.S.C.  
18 1334(a)(2));

19           (D) compelling compliance with applicable  
20 Federal laws and regulations relating to worker  
21 safety and other matters;

22           (E) requiring comprehensive safety and en-  
23 vironmental management programs for persons  
24 engaged in activities connected with the explo-

1           ration, development, and production of mineral  
2           or renewable energy resources;

3           (F) developing and implementing regula-  
4           tions for Federal employees to carry out any in-  
5           spection or investigation to ascertain compli-  
6           ance with applicable regulations, including  
7           health, safety, or environmental regulations;

8           (G) implementing the Offshore Technology  
9           Research and Risk Assessment Program under  
10          section 21 of the Outer Continental Shelf  
11          Lands Act (43 U.S.C. 1347);

12          (H) summoning witnesses and directing  
13          the production of evidence;

14          (I) levying fines and penalties and disquali-  
15          fying operators;

16          (J) carrying out any safety, response, and  
17          removal preparedness functions; and

18          (K) the processing of permits, exploration  
19          plans, development plans.

20          (d) EMPLOYEES.—

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

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

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

5                   (B) shall include—

6                           (i) three years of practical experience  
7                           in oil and gas exploration, development, or  
8                           production; or

9                           (ii) a degree in an appropriate field of  
10                          engineering from an accredited institution  
11                          of higher learning.

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

18           (4) BACKGROUND CHECKS.—The Director shall  
19           require that an individual to be hired as an inspec-  
20           tion officer undergo an employment investigation  
21           (including a criminal history record check).

22           (5) LANGUAGE REQUIREMENTS.—Individuals  
23           hired as inspectors must be able to read, speak, and  
24           write English well enough to—

1           (A) carry out written and oral instructions  
2           regarding the proper performance of inspection  
3           duties; and

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

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

13          (7) ANNUAL PROFICIENCY REVIEW.—

14           (A) ANNUAL PROFICIENCY REVIEW.—The  
15          Director shall provide that an annual evaluation  
16          of each individual assigned inspection duties is  
17          conducted and documented.

18           (B) CONTINUATION OF EMPLOYMENT.—An  
19          individual employed as an inspector may not  
20          continue to be employed in that capacity unless  
21          the evaluation demonstrates that the indi-  
22          vidual—

23           (i) continues to meet all qualifications  
24          and standards;

1 (ii) has a satisfactory record of per-  
2 formance and attention to duty based on  
3 the standards and requirements in the in-  
4 spection program; and

5 (iii) demonstrates the current knowl-  
6 edge and skills necessary to courteously,  
7 vigilantly, and effectively perform inspec-  
8 tion functions.

9 (8) LIMITATION ON RIGHT TO STRIKE.—Any  
10 individual that conducts permitting or inspections  
11 under this section may not participate in a strike, or  
12 assert the right to strike.

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

22 (10) TRAINING ACADEMY.—

23 (A) IN GENERAL.—The Secretary shall es-  
24 tablish and maintain a National Offshore En-  
25 ergy Safety Academy (referred to in this para-

1 graph as the “Academy”) as an agency of the  
2 Ocean Energy Safety Service.

3 (B) FUNCTIONS OF ACADEMY.—The Sec-  
4 retary, through the Academy, shall be respon-  
5 sible for—

6 (i) the initial and continued training  
7 of both newly hired and experienced off-  
8 shore oil and gas inspectors in all aspects  
9 of health, safety, environmental, and oper-  
10 ational inspections;

11 (ii) the training of technical support  
12 personnel of the Bureau;

13 (iii) any other training programs for  
14 offshore oil and gas inspectors, Bureau  
15 personnel, Department personnel, or other  
16 persons as the Secretary shall designate;  
17 and

18 (iv) certification of the successful  
19 completion of training programs for newly  
20 hired and experienced offshore oil and gas  
21 inspectors.

22 (C) COOPERATIVE AGREEMENTS.—

23 (i) IN GENERAL.—In performing func-  
24 tions under this paragraph, and subject to  
25 clause (ii), the Secretary may enter into

1 cooperative educational and training agree-  
2 ments with educational institutions, related  
3 Federal academies, other Federal agencies,  
4 State governments, safety training firms,  
5 and oil and gas operators and related in-  
6 dustries.

7 (ii) TRAINING REQUIREMENT.—Such  
8 training shall be conducted by the Acad-  
9 emy in accordance with curriculum needs  
10 and assignment of instructional personnel  
11 established by the Secretary.

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

20 (12) ADDITIONAL TRAINING PROGRAMS.—

21 (A) IN GENERAL.—The Secretary shall  
22 work with appropriate educational institutions,  
23 operators, and representatives of oil and gas  
24 workers to develop and maintain adequate pro-

1           grams with educational institutions and oil and  
2           gas operators that are designed—

3                   (i) to enable persons to qualify for po-  
4                   sitions in the administration of this Act;  
5                   and

6                   (ii) to provide for the continuing edu-  
7                   cation of inspectors or other appropriate  
8                   Department of the Interior personnel.

9                   (B) FINANCIAL AND TECHNICAL ASSIST-  
10                  ANCE.—The Secretary may provide financial  
11                  and technical assistance to educational institu-  
12                  tions in carrying out this paragraph.

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

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

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

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

20           (a) ESTABLISHMENT.—There is established in the  
21 Department of the Interior an Office of Natural Resources  
22 Revenue (referred to in this section as the “Office”) to  
23 be headed by a Director of Natural Resources Revenue  
24 (referred to in this section as the “Director”).

25           (b) APPOINTMENT AND COMPENSATION.—



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

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

7           (c) DUTIES.—

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

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

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

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

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

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

6           (a) CERTIFICATION.—The Secretary of the Interior  
7 shall certify annually that all Department of the Interior  
8 officers and employees having regular, direct contact with  
9 lessees, contractors, concessionaires, and other businesses  
10 interested before the Government as a function of their  
11 official duties, or conducting investigations, issuing per-  
12 mits, or responsible for oversight of energy programs, are  
13 in full compliance with all Federal employee ethics laws  
14 and regulations under the Ethics in Government Act of  
15 1978 (5 U.S.C. App.) and part 2635 of title 5, Code of  
16 Federal Regulations, and all guidance issued under sub-  
17 section (c).

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

21           (c) GUIDANCE.—Not later than 90 days after the  
22 date of enactment of this Act, the Secretary shall issue  
23 supplementary ethics and drug testing guidance for the  
24 employees for which certification is required under sub-  
25 section (a). The Secretary shall update the supplementary

1 ethics guidance not less than once every 3 years there-  
2 after.

3 **SEC. 406. ABOLISHMENT OF MINERALS MANAGEMENT**  
4 **SERVICE.**

5 (a) ABOLISHMENT.—The Minerals Management  
6 Service is abolished.

7 (b) COMPLETED ADMINISTRATIVE ACTIONS.—

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

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

1 (c) PENDING PROCEEDINGS.—Subject to the author-  
2 ity of the Secretary of the Interior and the officers of the  
3 Department of the Interior under this Act—

4 (1) pending proceedings in the Minerals Man-  
5 agement Service, including notices of proposed rule-  
6 making, and applications for licenses, permits, cer-  
7 tificates, grants, and financial assistance, shall con-  
8 tinue, notwithstanding the enactment of this Act or  
9 the vesting of functions of the Service in another  
10 agency, unless discontinued or modified under the  
11 same terms and conditions and to the same extent  
12 that such discontinuance or modification could have  
13 occurred if this Act had not been enacted; and

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

23 (d) PENDING CIVIL ACTIONS.—Subject to the au-  
24 thority of the Secretary of the Interior or any officer of  
25 the Department of the Interior under this Act, pending

1 civil actions shall continue notwithstanding the enactment  
2 of this Act, and in such civil actions, proceedings shall be  
3 had, appeals taken, and judgments rendered and enforced  
4 in the same manner and with the same effect as if such  
5 enactment had not occurred.

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

16 **SEC. 407. CONFORMING AMENDMENTS TO EXECUTIVE**  
17 **SCHEDULE PAY RATES.**

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

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

24 (b) ASSISTANT SECRETARIES.—Section 5315 of title  
25 5, United States Code, is amended by striking “Assistant

1 Secretaries, Department of the Interior (6)” and inserting  
2 the following:

3 “Assistant Secretaries, Department of the Inte-  
4 rior (7).”.

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

9 “Director, Bureau of Ocean Energy, Depart-  
10 ment of the Interior.

11 “Director, Ocean Energy Safety Service, De-  
12 partment of the Interior.

13 “Director, Office of Natural Resources Rev-  
14 enue, Department of the Interior.”.

15 **SEC. 408. OUTER CONTINENTAL SHELF ENERGY SAFETY**  
16 **ADVISORY BOARD.**

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

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

1           (2) to review operations of the National Off-  
2           shore Energy Health and Safety Academy estab-  
3           lished under section 403(d), including submitting to  
4           the Secretary recommendations of curriculum to en-  
5           sure training scientific and technical advancements.

6           (b) MEMBERSHIP.—

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

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

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

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

23           (3) TERM.—The Secretary shall appoint Board  
24           members to staggered terms of not more than 4

1 years, and shall not appoint a member for more  
2 than 2 consecutive terms.

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

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

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

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

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

21 (2) as appropriate, recommends modifications  
22 to the regulations issued under this Act to ensure  
23 adequate protection of safety and the environment,  
24 including recommendations on how to reduce regula-



1 tions and administrative actions that are duplicative  
2 or unnecessary.

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

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

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

19 Section 22 of the Outer Continental Shelf Lands Act  
20 (43 U.S.C. 1348) is amended by adding at the end of the  
21 section the following:

22 “(g) INSPECTION FEES.—

23 “(1) ESTABLISHMENT.—The Secretary of the  
24 Interior shall collect from the operators of facilities

1 subject to inspection under subsection (c) non-re-  
2 fundable fees for such inspections—

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

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

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

18 “(3) AVAILABILITY OF FEES.—

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

22 “(i) shall be credited as offsetting col-  
23 lections;

24 “(ii) shall be available for expenditure  
25 for purposes of carrying out inspections of

1           outer Continental Shelf facilities (including  
2           mobile offshore drilling units) and the ad-  
3           ministration of the inspection program  
4           under this section;

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

8                   “(iv) shall remain available until ex-  
9                   pended.

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

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

1 year in which the claim was determined or last ad-  
2 justed.

3 “(5) ANNUAL FEES.—Annual fees shall be col-  
4 lected under this subsection for facilities that are  
5 above the waterline, excluding drilling rigs, and are  
6 in place at the start of the fiscal year. Fees for each  
7 fiscal year in the period of fiscal years 2013 through  
8 2022 shall be—

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

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

15 “(C) \$31,500 for facilities with more than  
16 10 wells, with any combination of active or in-  
17 active wells.

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

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

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

3           “(7) BILLING.—The Secretary shall bill des-  
4           ignated operators under paragraph (5) within 60  
5           days after the date of the inspection, with payment  
6           required within 30 days of billing. The Secretary  
7           shall bill designated operators under paragraph (6)  
8           within 30 days of the end of the month in which the  
9           inspection occurred, with payment required within  
10          30 days after billing.

11          “(8) SUNSET.—No fee may be collected under  
12          this subsection for any fiscal year after fiscal year  
13          2022.

14          “(9) ANNUAL REPORTS.—

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

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

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

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

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

10          “(iv) An accounting of pace of permit  
11          approvals.

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

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

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

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

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

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

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

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

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

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

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

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