I

113TH CONGRESS
2D SESSION

H. R. 5360

To enhance the competitiveness of American manufacturers and exports in the global marketplace by providing tax relief, regulatory relief, liability relief, and ensuring access to abundant and affordable supplies of energy, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2014

Mr. MULVANEY (for himself, Mr. HENSARLING, Mr. PRICE of Georgia, Mr. LAMBORN, Mr. CHABOT, Mr. LAMALFA, Mr. HULTGREN, Mr. ROE of Tennessee, Mr. MCCLINTOCK, Mr. SCHWEIKERT, Mr. DESANTIS, Mr. BROOKS of Alabama, Mr. JORDAN, Mr. HUIZENGA of Michigan, Mr. DUNCAN of Tennessee, and Mr. CRAWFORD) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, the Budget, the Judiciary, Rules, Natural Resources, Transportation and Infrastructure, and Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To enhance the competitiveness of American manufacturers and exports in the global marketplace by providing tax relief, regulatory relief, liability relief, and ensuring access to abundant and affordable supplies of energy, 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 ''American Renaissance in Manufacturing Act''.

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

TITLE I—CREATING A MORE COMPETITIVE TAX CODE

SEC. 1001. DROPPING CORPORATE TAX RATE.

(a) IN GENERAL.—Subsection (b) of section 11 of the Internal Revenue Code of 1986 is amended to read as follows:

''(b) AMOUNT OF TAX.—The amount of the tax imposed by subsection (a) shall be 25 percent of taxable income.''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraphs (2)(B) and (6)(A)(ii) of section 860E(e) of the Internal Revenue Code of 1986 are each amended by striking ''highest rate of tax specified in section 11(b)(1)'' and inserting ''rate of tax specified in section 11(b)''.

(2)(A) Part I of subchapter P of chapter 1 of such Code is amended by striking section 1201 (and by striking the item relating to such section in the table of sections for such part).

(B) Section 12 of such Code is amended by striking paragraphs (4) and (6), and by redesignating paragraph (5) as paragraph (4).

(C) Section 527(b) of such Code is amended—

(i) by striking paragraph (2),

(ii) by striking all that precedes ''is hereby imposed'' and inserting:

''(b) TAX IMPOSED.—A tax''; and

(iii) by striking ''highest''.

(D) Sections 594(a) of such Code is amended by striking ''taxes imposed by section 11 or 1201(a)'' and inserting ''tax imposed by section 11''.

(E) Section 691(c)(4) of such Code is amended by striking ''1201,''.

(F) Section 801(a) of such Code is amended—

(i) by striking paragraph (2), and

(ii) by striking all that precedes ''is hereby imposed'' and inserting:

''(a) TAX IMPOSED.—A tax''.

(G) Section 831(d) of such Code is amended by striking paragraph (1) and by redesignating para-

graphs (2) and (3) as paragraphs (1) and (2), respectively.

(H) Sections 832(c)(5) and 834(b)(1)(D) of such Code are each amended by striking ''sec. 1201 and following,''.

(I) Section 852(b)(3)(A) of such Code is amended by striking ''section 1201(a)'' and inserting ''section 11(b)''.

(J) Section 857(b)(3) of such Code is amended—

(i) by striking subparagraph (A) and redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively,

(ii) in subparagraph (C), as so redesignated—

(I) by striking ''subparagraph (A)(ii)'' in clause (i) thereof and inserting ''paragraph (1)'', and

(II) by striking ''the tax imposed by subparagraph (A)(ii)'' in clauses (ii) and (iv) thereof and inserting ''the tax imposed by paragraph (1) on undistributed capital gain'',

(iii) in subparagraph (E), as so redesignated, by striking ''subparagraph (B) or (D)'' and inserting ''subparagraph (A) or (C)'', and

(iv) by adding at the end the following new subparagraph:

''(F) UNDISTRIBUTED CAPITAL GAIN.—For purposes of this paragraph, the term 'undistributed capital gain' means the excess of the net capital gain over the deduction for dividends paid (as defined in section 561) determined with reference to capital gain dividends only.''.

(K) Section 882(a)(1) of such Code is amended by striking '', or 1201(a)''.

(L) Section 1374(b) of such Code is amended by striking paragraph (4).

(M) Section 1381(b) of such Code is amended by striking ''taxes imposed by section 11 or 1201'' and inserting ''tax imposed by section 11''.

(N) Sections 6425(c)(1)(A)(i) and 6655(g)(1)(A)(i) of such Code are each amended by striking ''or 1201(a),''.

(3)(A) Section 1445(e)(1) of such Code is amended by striking ''35 percent'' and inserting ''25 percent''.

(B) Section 1445(e)(2) of such Code is amended by striking ''35 percent'' and inserting ''25 percent''.

(C) Section 1445(e)(6) of such Code is amended by striking ''35 percent'' and inserting ''25 percent''.

(D) Section 1446(b)(2)(B) of such Code is amended by striking ''section 11(b)(1)'' and inserting ''section 11(b)''.

(4) Section 852(b)(1) of such Code is amended by striking the last sentence.

(5)(A) Part I of subchapter B of chapter 5 of such Code is amended by striking section 1551 (and by striking the item relating to such section in the table of sections for such part).

(B) Section 535(c)(5) of such Code is amended to read as follows:

''(5) CROSS REFERENCE.—For limitation on credit provided in paragraph (2) or (3) in the case of certain controlled corporations, see section 1561.''.

(6) Section 7874(e)(1)(B) of such Code is amended by striking ''section 11(b)(1)'' and inserting ''section 11(b)''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2014.

(2) WITHHOLDING.—The amendments made by subsection (b)(3) shall apply to distributions made after December 31, 2014.

(3) CERTAIN TRANSFERS.—The amendments made by subsection (b)(5) shall apply to transfers made after December 31, 2014.

SEC. 1002. REDUCED RECOGNITION PERIOD FOR BUILT-IN GAINS OF S CORPORATIONS MADE PERMANENT.

(a) IN GENERAL.—Paragraph (7) of section 1374(d) of the Internal Revenue Code of 1986 is amended to read as follows:

''(7) RECOGNITION PERIOD.—

''(A) IN GENERAL.—The term 'recognition period' means the 5-year period beginning with the 1st day of the 1st taxable year for which the corporation was an S corporation. For purposes of applying this section to any amount includible in income by reason of distributions to shareholders pursuant to section 593(e), the

preceding sentence shall be applied without regard to the phrase '5-year'.

"(B) INSTALLMENT SALES.—If an S corporation sells an asset and reports the income from the sale using the installment method under section 453, the treatment of all payments received shall be governed by the provisions of this paragraph applicable to the taxable year in which such sale was made.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2013.

SEC. 1003. PERMANENT RULE REGARDING BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) IN GENERAL.—Section 1367(a)(2) of the Internal Revenue Code of 1986 is amended by striking the last sentence.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2013.

SEC. 1004. EXPENSING CERTAIN DEPRECIABLE BUSINESS ASSETS FOR SMALL BUSINESS.

(a) IN GENERAL.—

(1) DOLLAR LIMITATION.—Paragraph (1) of section 179(b) of the Internal Revenue Code of 1986 is amended by striking ''shall not exceed—'' and all that follows and inserting ''shall not exceed $500,000.''.

(2) REDUCTION IN LIMITATION.—Paragraph (2) of section 179(b) of such Code is amended by striking ''exceeds—'' and all that follows and inserting ''exceeds $2,000,000.''.

(b) COMPUTER SOFTWARE.—Clause (ii) of section 179(d)(1)(A) of such Code is amended by striking '', to which section 167 applies, and which is placed in service in a taxable year beginning after 2002 and before 2014'' and inserting ''and to which section 167 applies''.

(c) ELECTION.—Paragraph (2) of section 179(c) of such Code is amended—

(1) by striking ''may not be revoked'' and all that follows through ''and before 2014'', and

(2) by striking ''IRREVOCABLE'' in the heading thereof.

(d) AIR CONDITIONING AND HEATING UNITS.—Paragraph (1) of section 179(d) of such Code is amended by striking ''and shall not include air conditioning or heating units''.

(e) QUALIFIED REAL PROPERTY.—Subsection (f) of section 179 of such Code is amended—

(1) by striking ''beginning in 2010, 2011, 2012, or 2013'' in paragraph (1), and

(2) by striking paragraphs (3) and (4).

(f) INFLATION ADJUSTMENT.—Subsection (b) of section 179 of such Code is amended by adding at the end the following new paragraph:

''(6) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after 2014, the dollar amounts in paragraphs (1) and (2) shall each be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(c)(2)(A) for such calendar year, determined by substituting 'calendar year 2013' for 'calendar year 2012' in clause (ii) thereof.

''(B) ROUNDING.—The amount of any increase under subparagraph (A) shall be rounded to the nearest multiple of $10,000.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

SEC. 1005. RESEARCH CREDIT SIMPLIFIED AND MADE PERMANENT.

(a) IN GENERAL.—Subsection (a) of section 41 of the Internal Revenue Code of 1986 is amended to read as follows:

''(a) IN GENERAL.—For purposes of section 38, the research credit determined under this section for the taxable year shall be an amount equal to the sum of—

''(1) 20 percent of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined,

''(2) 20 percent of so much of the basic research payments for the taxable year as exceeds 50 percent of the average basic research payments for the 3 taxable years preceding the taxable year for which the credit is being determined, plus

''(3) 20 percent of the amounts paid or incurred by the taxpayer in carrying on any trade or business of the taxpayer during the taxable year (including as contributions) to an energy research consortium for energy research.''.

(b) REPEAL OF TERMINATION.—Section 41 of such Code is amended by striking subsection (h).

(c) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 41 of such Code is amended to read as follows:

''(c) DETERMINATION OF AVERAGE RESEARCH EXPENSES FOR PRIOR YEARS.—

''(1) SPECIAL RULE IN CASE OF NO QUALIFIED RESEARCH EXPENDITURES IN ANY OF 3 PRECEDING TAXABLE YEARS.—In any case in which the taxpayer has no qualified research expenses in any one of the 3 taxable years preceding the taxable year for which the credit is being determined, the amount determined under subsection (a)(1) for such taxable year shall be equal to 10 percent of the qualified research expenses for the taxable year.

''(2) CONSISTENT TREATMENT OF EXPENSES.—

''(A) IN GENERAL.—Notwithstanding whether the period for filing a claim for credit or refund has expired for any taxable year taken into account in determining the average qualified research expenses, or average basic research payments, taken into account under subsection (a), the qualified research expenses and basic research payments taken into account in determining such averages shall be determined on a basis consistent with the determination of

qualified research expenses and basic research payments, respectively, for the credit year.

''(B) PREVENTION OF DISTORTIONS.—The Secretary may prescribe regulations to prevent distortions in calculating a taxpayer's qualified research expenses or basic research payments caused by a change in accounting methods used by such taxpayer between the current year and a year taken into account in determining the average qualified research expenses or average basic research payments taken into account under subsection (a).''.

(2) Section 41(e) of such Code is amended—

(A) by striking all that precedes paragraph (6) and inserting the following:

''(e) BASIC RESEARCH PAYMENTS.—For purposes of this section—

''(1) IN GENERAL.—The term 'basic research payment' means, with respect to any taxable year, any amount paid in cash during such taxable year by a corporation to any qualified organization for basic research but only if—

''(A) such payment is pursuant to a written agreement between such corporation and such qualified organization, and

''(B) such basic research is to be performed by such qualified organization.

''(2) EXCEPTION TO REQUIREMENT THAT RESEARCH BE PERFORMED BY THE ORGANIZATION.—In the case of a qualified organization described in subparagraph (C) or (D) of paragraph (3), subparagraph (B) of paragraph (1) shall not apply.'',

(B) by redesignating paragraphs (6) and (7) as paragraphs (3) and (4), respectively, and

(C) in paragraph (4) as so redesignated, by striking subparagraphs (B) and (C) and by redesignating subparagraphs (D) and (E) as subparagraphs (B) and (C), respectively.

(3) Section 41(f)(3) of such Code is amended—

(A)(i) by striking '', and the gross receipts'' in subparagraph (A)(i) and all that follows through ''determined under clause (iii)'',

(ii) by striking clause (iii) of subparagraph (A) and redesignating clauses (iv), (v), and (vi), thereof, as clauses (iii), (iv), and (v), respectively,

(iii) by striking ''and (iv)'' each place it appears in subparagraph (A)(iv) (as so redesignated) and inserting ''and (iii)'',

(iv) by striking subclause (IV) of subparagraph (A)(iv) (as so redesignated), by striking ", and" at the end of subparagraph (A)(iv)(III) (as so redesignated) and inserting a period, and by adding "and" at the end of subparagraph (A)(iv)(II) (as so redesignated),

(v) by striking "(A)(vi)" in subparagraph (B) and inserting "(A)(v)", and

(vi) by striking "(A)(iv)(II)" in subparagraph (B)(i)(II) and inserting "(A)(iii)(II)",

(B) by striking ", and the gross receipts of the predecessor," in subparagraph (A)(iv)(II) (as so redesignated),

(C) by striking ", and the gross receipts of," in subparagraph (B),

(D) by striking ", or gross receipts of," in subparagraph (B)(i)(I), and

(E) by striking subparagraph (C).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2013.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to amounts paid or incurred after December 31, 2013.

SEC. 1006. BONUS DEPRECIATION MODIFIED AND MADE PERMANENT.

(a) MADE PERMANENT; INCLUSION OF QUALIFIED RETAIL IMPROVEMENT PROPERTY.—Section 168(k)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

''(2) QUALIFIED PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified property' means property—

''(i)(I) to which this section applies which has a recovery period of 20 years or less,

''(II) which is computer software (as defined in section 167(f)(1)(B)) for which a deduction is allowable under section 167(a) without regard to this subsection,

''(III) which is water utility property,

''(IV) which is qualified leasehold improvement property, or

''(V) which is qualified retail improvement property, and

''(ii) the original use of which commences with the taxpayer.

''(B) EXCEPTION FOR ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified property' shall not include any property to which the alternative depreciation system under subsection (g) applies, determined—

''(i) without regard to paragraph (7) of subsection (g) (relating to election to have system apply), and

''(ii) after application of section 280F(b) (relating to listed property with limited business use).

''(C) SPECIAL RULES.—

''(i) SALE-LEASEBACKS.—For purposes of clause (ii) and subparagraph (A)(ii), if property is—

''(I) originally placed in service by a person, and

''(II) sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date

on which such property is used under the leaseback referred to in subclause (II).

''(ii) SYNDICATION.—For purposes of subparagraph (A)(ii), if—

''(I) property is originally placed in service by the lessor of such property,

''(II) such property is sold by such lessor or any subsequent purchaser within 3 months after the date such property was originally placed in service (or, in the case of multiple units of property subject to the same lease, within 3 months after the date the final unit is placed in service, so long as the period between the time the first unit is placed in service and the time the last unit is placed in service does not exceed 12 months), and

''(III) the user of such property after the last sale during such 3-month period remains the same as when such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date of such last sale.

''(D) COORDINATION WITH SECTION 280F.—For purposes of section 280F—

''(i) AUTOMOBILES.—In the case of a passenger automobile (as defined in section 280F(d)(5)) which is qualified property, the Secretary shall increase the limitation under section 280F(a)(1)(A)(i) by $8,000.

''(ii) LISTED PROPERTY.—The deduction allowable under paragraph (1) shall be taken into account in computing any recapture amount under section 280F(b)(2).

''(iii) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2014, the $8,000 amount in clause (i) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the automobile price inflation adjustment determined under section 280F(d)(7)(B)(i) for the calendar year in which such taxable year begins

by substituting '2013' for '1987' in subclause (II) thereof.

If any increase under the preceding sentence is not a multiple of $100, such increase shall be rounded to the nearest multiple of $100.

''(E) DEDUCTION ALLOWED IN COMPUTING MINIMUM TAX.—For purposes of determining alternative minimum taxable income under section 55, the deduction under section 167 for qualified property shall be determined without regard to any adjustment under section 56.''.

(b) EXPANSION OF ELECTION TO ACCELERATE AMT CREDITS IN LIEU OF BONUS DEPRECIATION.—Section 168(k)(4) of such Code is amended to read as follows:

''(4) ELECTION TO ACCELERATE AMT CREDITS IN LIEU OF BONUS DEPRECIATION.—

''(A) IN GENERAL.—If a corporation elects to have this paragraph apply for any taxable year—

''(i) paragraphs (1)(A), (2)(D)(i), and (5)(A)(i) shall not apply for such taxable year,

''(ii) the applicable depreciation method used under this section with respect to

any qualified property shall be the straight line method, and

''(iii) the limitation imposed by section 53(c) for such taxable year shall be increased by the bonus depreciation amount which is determined for such taxable year under subparagraph (B).

''(B) BONUS DEPRECIATION AMOUNT.—For purposes of this paragraph—

''(i) IN GENERAL.—The bonus depreciation amount for any taxable year is an amount equal to 20 percent of the excess (if any) of—

''(I) the aggregate amount of depreciation which would be allowed under this section for qualified property placed in service by the taxpayer during such taxable year if paragraph (1) applied to all such property, over

''(II) the aggregate amount of depreciation which would be allowed under this section for qualified property placed in service by the taxpayer during such taxable year if paragraph

(1) did not apply to any such property.

The aggregate amounts determined under subclauses (I) and (II) shall be determined without regard to any election made under subsection (b)(2)(D), (b)(3)(D), or (g)(7) and without regard to subparagraph (A)(ii).

''(ii) LIMITATION.—The bonus depreciation amount for any taxable year shall not exceed the lesser of—

''(I) 50 percent of the minimum tax credit under section 53(b) for the first taxable year ending after December 31, 2013, or

''(II) the minimum tax credit under section 53(b) for such taxable year determined by taking into account only the adjusted net minimum tax for taxable years ending before January 1, 2014 (determined by treating credits as allowed on a first-in, first-out basis).

''(iii) AGGREGATION RULE.—All corporations which are treated as a single em-

ployer under section 52(a) shall be treated—

"(I) as 1 taxpayer for purposes of this paragraph, and

"(II) as having elected the application of this paragraph if any such corporation so elects.

"(C) CREDIT REFUNDABLE.—For purposes of section 6401(b), the aggregate increase in the credits allowable under part IV of subchapter A for any taxable year resulting from the application of this paragraph shall be treated as allowed under subpart C of such part (and not any other subpart).

"(D) OTHER RULES.—

"(i) ELECTION.—Any election under this paragraph may be revoked only with the consent of the Secretary.

"(ii) PARTNERSHIPS WITH ELECTING PARTNERS.—In the case of a corporation which is a partner in a partnership and which makes an election under subparagraph (A) for the taxable year, for purposes of determining such corporation's

distributive share of partnership items under section 702 for such taxable year—

"(I) paragraphs (1)(A), (2)(D)(i), and (5)(A)(i) shall not apply, and

"(II) the applicable depreciation method used under this section with respect to any qualified property shall be the straight line method.

"(iii) CERTAIN PARTNERSHIPS.—In the case of a partnership in which more than 50 percent of the capital and profits interests are owned (directly or indirectly) at all times during the taxable year by 1 corporation (or by corporations treated as 1 taxpayer under subparagraph (B)(iii)), each partner shall compute its bonus depreciation amount under clause (i) of subparagraph (B) by taking into account its distributive share of the amounts determined by the partnership under subclauses (I) and (II) of such clause for the taxable year of the partnership ending with or within the taxable year of the partner.".

(c) SPECIAL RULES FOR TREES AND VINES BEARING FRUITS AND NUTS.—Section 168(k) of such Code is amended—

(1) by striking paragraph (5), and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) SPECIAL RULES FOR TREES AND VINES BEARING FRUITS AND NUTS.—

"(A) IN GENERAL.—In the case of any tree or vine bearing fruits or nuts which is planted, or is grafted to a plant that has already been planted, by the taxpayer in the ordinary course of the taxpayer's farming business (as defined in section 263A(e)(4))—

"(i) a depreciation deduction equal to 50 percent of the adjusted basis of such tree or vine shall be allowed under section 167(a) for the taxable year in which such tree or vine is so planted or grafted, and

"(ii) the adjusted basis of such tree or vine shall be reduced by the amount of such deduction.

"(B) ELECTION OUT.—If a taxpayer makes an election under this subparagraph for any taxable year, this paragraph shall not apply

to any tree or vine planted or grafted during such taxable year. An election under this subparagraph may be revoked only with the consent of the Secretary.

''(C) ADDITIONAL DEPRECIATION MAY BE CLAIMED ONLY ONCE.—If this paragraph applies to any tree or vine, such tree or vine shall not be treated as qualified property in the taxable year in which placed in service.

''(D) COORDINATION WITH ELECTION TO ACCELERATE AMT CREDITS.—If a corporation makes an election under paragraph (4) for any taxable year, the amount under paragraph (4)(B)(i)(I) for such taxable year shall be increased by the amount determined under subparagraph (A)(i) for such taxable year.

''(E) DEDUCTION ALLOWED IN COMPUTING MINIMUM TAX.—Rules similar to the rules of paragraph (2)(E) shall apply for purposes of this paragraph.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 168(e)(8) of such Code is amended by striking subparagraph (D).

(2) Section 168(k) of such Code is amended by adding at the end the following new paragraph:

''(6) ELECTION OUT.—If a taxpayer makes an election under this paragraph with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service (or, in the case of paragraph (5), planted or grafted) during such taxable year. An election under this paragraph may be revoked only with the consent of the Secretary.''.

(3) Section 168(l)(5) of such Code is amended by striking ''section 168(k)(2)(G)'' and inserting ''section 168(k)(2)(E)''.

(4) Section 263A(c) of such Code is amended by adding at the end the following new paragraph:

''(7) COORDINATION WITH SECTION 168(k)(5).—This section shall not apply to any amount allowable as a deduction by reason of section 168(k)(5) (relating to special rules for trees and vines bearing fruits and nuts).''.

(5) Section 460(c)(6)(B) of such Code is amended by striking ''which—'' and all that follows and inserting ''which has a recovery period of 7 years or less.''.

(6) Section 168(k) of such Code is amended by striking ''ACQUIRED AFTER DECEMBER 31, 2007,

AND BEFORE JANUARY 1, 2014'' in the heading thereof.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to property placed in service after December 31, 2013.

(2) EXPANSION OF ELECTION TO ACCELERATE AMT CREDITS IN LIEU OF BONUS DEPRECIATION.—

(A) IN GENERAL.—The amendment made by subsection (b) (other than so much of such amendment as relates to section 168(k)(4)(D)(iii) of such Code, as added by such amendment) shall apply to taxable years ending after December 31, 2013.

(B) TRANSITIONAL RULE.—In the case of a taxable year beginning before January 1, 2014, and ending after December 31, 2013, the bonus depreciation amount determined under section 168(k)(4) of such Code for such year shall be the sum of—

(i) such amount determined without regard to the amendments made by this section and—

(I) by taking into account only property placed in service before January 1, 2014, and

(II) by multiplying the limitation under section 168(k)(4)(C)(ii) of such Code (determined without regard to the amendments made by this section) by a fraction the numerator of which is the number of days in the taxable year before January 1, 2014, and the denominator of which is the number of days in the taxable year, and

(ii) such amount determined after taking into account the amendments made by this section and—

(I) by taking into account only property placed in service after December 31, 2013, and

(II) by multiplying the limitation under section 168(k)(4)(B)(ii) of such Code (as amended by this section) by a fraction the numerator of which is the number of days in the taxable year after December 31, 2013, and

the denominator of which is the number of days in the taxable year.

(3) SPECIAL RULES FOR CERTAIN TREES AND VINES.—The amendment made by subsection (c)(2) shall apply to trees and vines planted or grafted after December 31, 2013.

SEC. 1007. BUDGETARY EFFECTS.

(a) STATUTORY PAY-AS-YOU-GO SCORECARDS.—The budgetary effects of this title shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

(b) SENATE PAYGO SCORECARDS.—The budgetary effects of this title shall not be entered on any PAYGO scorecard maintained for purposes of section 201 of S. Con. Res. 21 (110th Congress).

TITLE II—REINING IN JOB-KILLING WASHINGTON RED TAPE

Subtitle A—Regulations From the Executive in Need of Scrutiny Act

SEC. 2001. PURPOSE.

The purpose of this title is to increase accountability for and transparency in the Federal regulatory process. Section 1 of article I of the United States Constitution grants all legislative powers to Congress. Over time, Congress has excessively delegated its constitutional charge

while failing to conduct appropriate oversight and retain accountability for the content of the laws it passes. By requiring a vote in Congress, this subtitle will result in more carefully drafted and detailed legislation, an improved regulatory process, and a legislative branch that is truly accountable to the American people for the laws imposed upon them. Moreover, as a tax on carbon emissions increases energy costs on consumers, reduces economic growth and is therefore detrimental to individuals, families and businesses, this subtitle includes in the definition of a major rule, any rule that implements or provides for the imposition or collection of a tax on carbon emissions.

SEC. 2002. CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.

Chapter 8 of title 5, United States Code, is amended to read as follows:

"CHAPTER 8—CONGRESSIONAL REVIEW OF AGENCY RULEMAKING

"§ 801. Congressional review

''(a)(1)(A) Before a rule may take effect, the Federal agency promulgating such rule shall submit to each House of the Congress and to the Comptroller General a report containing—

''(i) a copy of the rule;

''(ii) a concise general statement relating to the rule;

''(iii) a classification of the rule as a major or nonmajor rule, including an explanation of the classification specifically addressing each criteria for a major rule contained within clauses (i) through (iii) of section 804(2)(A) or within section 804(2)(B);

''(iv) a list of any other related regulatory actions taken by or that will be taken by the Federal agency promulgating the rule that are intended to implement the same statutory provision or regulatory objective as well as the individual and aggregate economic effects of those actions;

''(v) a list of any other related regulatory actions taken by or that will be taken by any other Federal agency with authority to implement the same statutory provision or regulatory objective that are intended to implement such provision or objective, of which the Federal agency promulgating the

rule is aware, as well as the individual and aggregate economic effects of those actions; and

''(vi) the proposed effective date of the rule.

''(B) On the date of the submission of the report under subparagraph (A), the Federal agency promulgating the rule shall submit to the Comptroller General and make available to each House of Congress—

''(i) a complete copy of the cost-benefit analysis of the rule, if any, including an analysis of any jobs added or lost, differentiating between public and private sector jobs;

''(ii) the agency's actions pursuant to sections 603, 604, 605, 607, and 609 of this title;

''(iii) the agency's actions pursuant to sections 202, 203, 204, and 205 of the Unfunded Mandates Reform Act of 1995; and

''(iv) any other relevant information or requirements under any other Act and any relevant Executive orders.

''(C) Upon receipt of a report submitted under subparagraph (A), each House shall provide copies of the report to the chairman and ranking member of each standing committee with jurisdiction under the rules of the House of Representatives or the Senate to report a bill

to amend the provision of law under which the rule is issued.

''(2)(A) The Comptroller General shall provide a report on each major rule to the committees of jurisdiction by the end of 15 calendar days after the submission or publication date. The report of the Comptroller General shall include an assessment of the agency's compliance with procedural steps required by paragraph (1)(B) and an assessment of whether the major rule imposes any new limits or mandates on private-sector activity.

''(B) Federal agencies shall cooperate with the Comptroller General by providing information relevant to the Comptroller General's report under subparagraph (A).

''(3) A major rule relating to a report submitted under paragraph (1) shall take effect upon enactment of a joint resolution of approval described in section 802 or as provided for in the rule following enactment of a joint resolution of approval described in section 802, whichever is later.

''(4) A nonmajor rule shall take effect as provided by section 803 after submission to Congress under paragraph (1).

''(5) If a joint resolution of approval relating to a major rule is not enacted within the period provided in subsection (b)(2), then a joint resolution of approval relat-

ing to the same rule may not be considered under this chapter in the same Congress by either the House of Representatives or the Senate.

''(b)(1) A major rule shall not take effect unless the Congress enacts a joint resolution of approval described under section 802.

''(2) If a joint resolution described in subsection (a) is not enacted into law by the end of 70 session days or legislative days, as applicable, beginning on the date on which the report referred to in section 801(a)(1)(A) is received by Congress (excluding days either House of Congress is adjourned for more than 3 days during a session of Congress), then the rule described in that resolution shall be deemed not to be approved and such rule shall not take effect.

''(c)(1) Notwithstanding any other provision of this section (except subject to paragraph (3)), a major rule may take effect for one 90-calendar-day period if the President makes a determination under paragraph (2) and submits written notice of such determination to the Congress.

''(2) Paragraph (1) applies to a determination made by the President by Executive order that the major rule should take effect because such rule is—

''(A) necessary because of an imminent threat to health or safety or other emergency;

''(B) necessary for the enforcement of criminal laws;

''(C) necessary for national security; or

''(D) issued pursuant to any statute implementing an international trade agreement.

''(3) An exercise by the President of the authority under this subsection shall have no effect on the procedures under section 802.

''(d)(1) In addition to the opportunity for review otherwise provided under this chapter, in the case of any rule for which a report was submitted in accordance with subsection (a)(1)(A) during the period beginning on the date occurring—

''(A) in the case of the Senate, 60 session days, or

''(B) in the case of the House of Representatives, 60 legislative days,

before the date the Congress is scheduled to adjourn a session of Congress through the date on which the same or succeeding Congress first convenes its next session, sections 802 and 803 shall apply to such rule in the succeeding session of Congress.

''(2)(A) In applying sections 802 and 803 for purposes of such additional review, a rule described under paragraph (1) shall be treated as though—

''(i) such rule were published in the Federal Register on—

''(I) in the case of the Senate, the 15th session day, or

''(II) in the case of the House of Representatives, the 15th legislative day,

after the succeeding session of Congress first convenes; and

''(ii) a report on such rule were submitted to Congress under subsection (a)(1) on such date.

''(B) Nothing in this paragraph shall be construed to affect the requirement under subsection (a)(1) that a report shall be submitted to Congress before a rule can take effect.

''(3) A rule described under paragraph (1) shall take effect as otherwise provided by law (including other subsections of this section).

''§ 802. Congressional approval procedure for major rules

''(a)(1) For purposes of this section, the term 'joint resolution' means only a joint resolution addressing a re-

port classifying a rule as major pursuant to section 801(a)(1)(A)(iii) that—

"(A) bears no preamble;

"(B) bears the following title (with blanks filled as appropriate): 'Approving the rule submitted by _____ relating to _____.';

"(C) includes after its resolving clause only the following (with blanks filled as appropriate): 'That Congress approves the rule submitted by _____ relating to _____.'; and

"(D) is introduced pursuant to paragraph (2).

"(2) After a House of Congress receives a report classifying a rule as major pursuant to section 801(a)(1)(A)(iii), the majority leader of that House (or his or her respective designee) shall introduce (by request, if appropriate) a joint resolution described in paragraph (1)—

"(A) in the case of the House of Representatives, within three legislative days; and

"(B) in the case of the Senate, within three session days.

"(3) A joint resolution described in paragraph (1) shall not be subject to amendment at any stage of proceeding.

''(b) A joint resolution described in subsection (a) shall be referred in each House of Congress to the committees having jurisdiction over the provision of law under which the rule is issued.

''(c) In the Senate, if the committee or committees to which a joint resolution described in subsection (a) has been referred have not reported it at the end of 15 session days after its introduction, such committee or committees shall be automatically discharged from further consideration of the resolution and it shall be placed on the calendar. A vote on final passage of the resolution shall be taken on or before the close of the 15th session day after the resolution is reported by the committee or committees to which it was referred, or after such committee or committees have been discharged from further consideration of the resolution.

''(d)(1) In the Senate, when the committee or committees to which a joint resolution is referred have reported, or when a committee or committees are discharged (under subsection (c)) from further consideration of a joint resolution described in subsection (a), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for a motion to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against

consideration of the joint resolution) are waived. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the Senate until disposed of.

''(2) In the Senate, debate on the joint resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the joint resolution. A motion to further limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order.

''(3) In the Senate, immediately following the conclusion of the debate on a joint resolution described in subsection (a), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, the vote on final passage of the joint resolution shall occur.

''(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a joint resolution described in subsection (a) shall be decided without debate.

''(e) In the House of Representatives, if any committee to which a joint resolution described in subsection (a) has been referred has not reported it to the House at the end of 15 legislative days after its introduction, such committee shall be discharged from further consideration of the joint resolution, and it shall be placed on the appropriate calendar. On the second and fourth Thursdays of each month it shall be in order at any time for the Speaker to recognize a Member who favors passage of a joint resolution that has appeared on the calendar for at least 5 legislative days to call up that joint resolution for immediate consideration in the House without intervention of any point of order. When so called up a joint resolution shall be considered as read and shall be debatable for 1 hour equally divided and controlled by the proponent and an opponent, and the previous question shall be considered as ordered to its passage without intervening motion. It shall not be in order to reconsider the vote on passage. If a vote on final passage of the joint resolution has not been taken by the third Thursday on which the Speaker

may recognize a Member under this subsection, such vote shall be taken on that day.

''(f)(1) If, before passing a joint resolution described in subsection (a), one House receives from the other a joint resolution having the same text, then—

''(A) the joint resolution of the other House shall not be referred to a committee; and

''(B) the procedure in the receiving House shall be the same as if no joint resolution had been received from the other House until the vote on passage, when the joint resolution received from the other House shall supplant the joint resolution of the receiving House.

''(2) This subsection shall not apply to the House of Representatives if the joint resolution received from the Senate is a revenue measure.

''(g) If either House has not taken a vote on final passage of the joint resolution by the last day of the period described in section 801(b)(2), then such vote shall be taken on that day.

''(h) This section and section 803 are enacted by Congress—

''(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such is deemed to be part of the rules

of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution described in subsection (a) and superseding other rules only where explicitly so; and

''(2) with full recognition of the Constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

''§ 803. Congressional disapproval procedure for nonmajor rules

''(a) For purposes of this section, the term 'joint resolution' means only a joint resolution introduced in the period beginning on the date on which the report referred to in section 801(a)(1)(A) is received by Congress and ending 60 days thereafter (excluding days either House of Congress is adjourned for more than 3 days during a session of Congress), the matter after the resolving clause of which is as follows: 'That Congress disapproves the nonmajor rule submitted by the _____ relating to _____, and such rule shall have no force or effect.' (The blank spaces being appropriately filled in).

''(b) A joint resolution described in subsection (a) shall be referred to the committees in each House of Congress with jurisdiction.

''(c) In the Senate, if the committee to which is referred a joint resolution described in subsection (a) has not reported such joint resolution (or an identical joint resolution) at the end of 15 session days after the date of introduction of the joint resolution, such committee may be discharged from further consideration of such joint resolution upon a petition supported in writing by 30 Members of the Senate, and such joint resolution shall be placed on the calendar.

''(d)(1) In the Senate, when the committee to which a joint resolution is referred has reported, or when a committee is discharged (under subsection (c)) from further consideration of a joint resolution described in subsection (a), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for a motion to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall

not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the Senate until disposed of.

''(2) In the Senate, debate on the joint resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution. A motion to further limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order.

''(3) In the Senate, immediately following the conclusion of the debate on a joint resolution described in subsection (a), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, the vote on final passage of the joint resolution shall occur.

''(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a joint resolution described in subsection (a) shall be decided without debate.

''(e) In the Senate the procedure specified in subsection (c) or (d) shall not apply to the consideration of a joint resolution respecting a nonmajor rule—

''(1) after the expiration of the 60 session days beginning with the applicable submission or publication date, or

''(2) if the report under section 801(a)(1)(A) was submitted during the period referred to in section 801(d)(1), after the expiration of the 60 session days beginning on the 15th session day after the succeeding session of Congress first convenes.

''(f) If, before the passage by one House of a joint resolution of that House described in subsection (a), that House receives from the other House a joint resolution described in subsection (a), then the following procedures shall apply:

''(1) The joint resolution of the other House shall not be referred to a committee.

''(2) With respect to a joint resolution described in subsection (a) of the House receiving the joint resolution—

''(A) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

''(B) the vote on final passage shall be on the joint resolution of the other House.

''§ 804. Definitions

''For purposes of this chapter—

''(1) The term 'Federal agency' means any agency as that term is defined in section 551(1).

''(2) The term 'major rule' means any rule, including an interim final rule, that the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget finds—

''(A) has resulted in or is likely to result in—

''(i) an annual effect on the economy of $50,000,000 or more;

''(ii) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or

''(iii) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets;

"(B) is made by the Administrator of the Environmental Protection Agency and that would have a significant impact on a substantial number of agricultural entities, as determined by the Secretary of Agriculture (who shall publish such determination in the Federal Register);

"(C) is a rule that implements or provides for the imposition or collection of a carbon tax; or

"(D) is made under the Patient Protection and Affordable Care Act (Public Law 111–148).

"(3) The term 'nonmajor rule' means any rule that is not a major rule.

"(4) The term 'rule' has the meaning given such term in section 551, except that such term does not include any rule of particular applicability, including a rule that approves or prescribes for the future rates, wages, prices, services, or allowances therefore, corporate or financial structures, reorganizations, mergers, or acquisitions thereof, or accounting practices or disclosures bearing on any of the foregoing.

''(5) The term 'submission date or publication date', except as otherwise provided in this chapter, means—

''(A) in the case of a major rule, the date on which the Congress receives the report submitted under section 801(a)(1); and

''(B) in the case of a nonmajor rule, the later of—

''(i) the date on which the Congress receives the report submitted under section 801(a)(1); and

''(ii) the date on which the nonmajor rule is published in the Federal Register, if so published.

''(6) The term 'agricultural entity' means any entity involved in or related to agricultural enterprise, including enterprises that are engaged in the business of production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural related industries.

''(7) The term 'carbon tax' means a fee, levy, or price on—

''(A) emissions, including carbon dioxide emissions generated by the burning of coal, natural gas, or oil; or

''(B) coal, natural gas, or oil based on emissions, including carbon dioxide emissions that would be generated through the fuel's combustion.

"§ 805. Judicial review

''(a) No determination, finding, action, or omission under this chapter shall be subject to judicial review.

''(b) Notwithstanding subsection (a), a court may determine whether a Federal agency has completed the necessary requirements under this chapter for a rule to take effect.

''(c) The enactment of a joint resolution of approval under section 802 shall not be interpreted to serve as a grant or modification of statutory authority by Congress for the promulgation of a rule, shall not extinguish or affect any claim, whether substantive or procedural, against any alleged defect in a rule, and shall not form part of the record before the court in any judicial proceeding concerning a rule except for purposes of determining whether or not the rule is in effect.

"§ 806. Exemption for monetary policy

''Nothing in this chapter shall apply to rules that concern monetary policy proposed or implemented by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.

"§ 807. Effective date of certain rules

''Notwithstanding section 801—

''(1) any rule that establishes, modifies, opens, closes, or conducts a regulatory program for a commercial, recreational, or subsistence activity related to hunting, fishing, or camping; or

''(2) any rule other than a major rule which an agency for good cause finds (and incorporates the finding and a brief statement of reasons therefore in the rule issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest,

shall take effect at such time as the Federal agency promulgating the rule determines.''.

SEC. 2003. BUDGETARY EFFECTS OF RULES SUBJECT TO SECTION 802 OF TITLE 5, UNITED STATES CODE.

Section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subparagraph:

''(E) BUDGETARY EFFECTS OF RULES SUBJECT TO SECTION 802 OF TITLE 5, UNITED STATES CODE.—Any rules subject to the congressional approval procedure set forth in section 802 of chapter 8 of title 5, United States Code, affecting budget authority, outlays, or re-

ceipts shall be assumed to be effective unless it is not approved in accordance with such section.''.

SEC. 2004. GOVERNMENT ACCOUNTABILITY OFFICE STUDY OF RULES.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to determine, as of the date of the enactment of this subtitle—

(1) how many rules (as such term is defined in section 804 of title 5, United States Code) were in effect;

(2) how many major rules (as such term is defined in section 804 of title 5, United States Code) were in effect; and

(3) the total estimated economic cost imposed by all such rules.

(b) REPORT.—Not later than one year after the date of the enactment of this subtitle, the Comptroller General of the United States shall submit a report to Congress that contains the findings of the study conducted under subsection (a).

Subtitle B—Energy Consumers Relief Act

SEC. 2201. PROHIBITION AGAINST FINALIZING CERTAIN ENERGY-RELATED RULES THAT WILL CAUSE SIGNIFICANT ADVERSE EFFECTS TO THE ECONOMY.

Notwithstanding any other provision of law, the Administrator of the Environmental Protection Agency may not promulgate as final an energy-related rule that is estimated to cost more than $1 billion if the Secretary of Energy determines under section 2202(3) that the rule will cause significant adverse effects to the economy.

SEC. 2202. REPORTS AND DETERMINATIONS PRIOR TO PROMULGATING AS FINAL CERTAIN ENERGY-RELATED RULES.

Before promulgating as final any energy-related rule that is estimated to cost more than $1 billion:

(1) REPORT TO CONGRESS.—The Administrator of the Environmental Protection Agency shall submit to Congress a report (and transmit a copy to the Secretary of Energy) containing—

(A) a copy of the rule;

(B) a concise general statement relating to the rule;

(C) an estimate of the total costs of the rule, including the direct costs and indirect costs of the rule;

(D)(i) an estimate of the total benefits of the rule and when such benefits are expected to be realized;

(ii) a description of the modeling, the calculations, the assumptions, and the limitations due to uncertainty, speculation, or lack of information associated with the estimates under this subparagraph; and

(iii) a certification that all data and documents relied upon by the Agency in developing such estimates—

(I) have been preserved; and

(II) are available for review by the public on the Agency's Web site, except to the extent to which publication of such data and documents would constitute disclosure of confidential information in violation of applicable Federal law;

(E) an estimate of the increases in energy prices, including potential increases in gasoline or electricity prices for consumers, that may re-

sult from implementation or enforcement of the rule; and

(F) a detailed description of the employment effects, including potential job losses and shifts in employment, that may result from implementation or enforcement of the rule.

(2) INITIAL DETERMINATION ON INCREASES AND IMPACTS.—The Secretary of Energy, in consultation with the Federal Energy Regulatory Commission and the Administrator of the Energy Information Administration, shall prepare an independent analysis to determine whether the rule will cause—

(A) any increase in energy prices for consumers, including low-income households, small businesses, and manufacturers;

(B) any impact on fuel diversity of the Nation's electricity generation portfolio or on national, regional, or local electric reliability;

(C) any adverse effect on energy supply, distribution, or use due to the economic or technical infeasibility of implementing the rule; or

(D) any other adverse effect on energy supply, distribution, or use (including a shortfall in supply and increased use of foreign supplies).

(3) SUBSEQUENT DETERMINATION ON ADVERSE EFFECTS TO THE ECONOMY.—If the Secretary of Energy determines, under paragraph (2), that the rule will cause an increase, impact, or effect described in such paragraph, then the Secretary, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Commerce, the Secretary of Labor, and the Administrator of the Small Business Administration, shall—

(A) determine whether the rule will cause significant adverse effects to the economy, taking into consideration—

(i) the costs and benefits of the rule and limitations in calculating such costs and benefits due to uncertainty, speculation, or lack of information; and

(ii) the positive and negative impacts of the rule on economic indicators, including those related to gross domestic product, unemployment, wages, consumer prices, and business and manufacturing activity; and

(B) publish the results of such determination in the Federal Register.

SEC. 2203. DEFINITIONS.

In this subtitle:

(1) The terms ''direct costs'' and ''indirect costs'' have the meanings given such terms in chapter 8 of the Environmental Protection Agency's ''Guidelines for Preparing Economic Analyses'' dated December 17, 2010.

(2) The term ''energy-related rule that is estimated to cost more than $1 billion'' means a rule of the Environmental Protection Agency that—

(A) regulates any aspect of the production, supply, distribution, or use of energy or provides for such regulation by States or other governmental entities; and

(B) is estimated by the Administrator of the Environmental Protection Agency or the Director of the Office of Management and Budget to impose direct costs and indirect costs, in the aggregate, of more than $1,000,000,000.

(3) The term ''rule'' has the meaning given to such term in section 551 of title 5, United States Code.

SEC. 2204. PROHIBITION ON USE OF SOCIAL COST OF CARBON IN ANALYSIS.

(a) IN GENERAL.—Notwithstanding any other provision of law or any Executive order, the Administrator of the Environmental Protection Agency may not use the social cost of carbon in order to incorporate social benefits of reducing carbon dioxide emissions, or for any other reason, in any cost-benefit analysis relating to an energy-related rule that is estimated to cost more than $1 billion unless and until a Federal law is enacted authorizing such use.

(b) DEFINITION.—In this section, the term ''social cost of carbon'' means the social cost of carbon as described in the technical support document entitled ''Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866'', published by the Interagency Working Group on Social Cost of Carbon, United States Government, in May 2013, or any successor or substantially related document, or any other estimate of the monetized damages associated with an incremental increase in carbon dioxide emissions in a given year.

Subtitle C—Electricity Security and Affordability Act

SEC. 2301. STANDARDS OF PERFORMANCE FOR NEW FOSSIL FUEL-FIRED ELECTRIC UTILITY GENERATING UNITS.

(a) LIMITATION.—The Administrator of the Environmental Protection Agency may not issue, implement, or enforce any proposed or final rule under section 111 of the Clean Air Act (42 U.S.C. 7411) that establishes a standard of performance for emissions of any greenhouse gas from any new source that is a fossil fuel-fired electric utility generating unit unless such rule meets the requirements under subsections (b) and (c).

(b) REQUIREMENTS.—In issuing any rule under section 111 of the Clean Air Act (42 U.S.C. 7411) establishing standards of performance for emissions of any greenhouse gas from new sources that are fossil fuel-fired electric utility generating units, the Administrator of the Environmental Protection Agency (for purposes of establishing such standards)—

(1) shall separate sources fueled with coal and natural gas into separate categories; and

(2) shall not set a standard based on the best system of emission reduction for new sources within a fossil-fuel category unless—

(A) such standard has been achieved on average for at least one continuous 12-month period (excluding planned outages) by each of at least 6 units within such category—

(i) each of which is located at a different electric generating station in the United States;

(ii) which, collectively, are representative of the operating characteristics of electric generation at different locations in the United States; and

(iii) each of which is operated for the entire 12-month period on a full commercial basis; and

(B) no results obtained from any demonstration project are used in setting such standard.

(c) COAL HAVING A HEAT CONTENT OF 8300 OR LESS BRITISH THERMAL UNITS PER POUND.—

(1) SEPARATE SUBCATEGORY.—In carrying out subsection (b)(1), the Administrator of the Environmental Protection Agency shall establish a separate subcategory for new sources that are fossil fuel-fired electric utility generating units using coal with an

average heat content of 8300 or less British Thermal Units per pound.

(2) STANDARD.—Notwithstanding subsection (b)(2), in issuing any rule under section 111 of the Clean Air Act (42 U.S.C. 7411) establishing standards of performance for emissions of any greenhouse gas from new sources in such subcategory, the Administrator of the Environmental Protection Agency shall not set a standard based on the best system of emission reduction unless—

(A) such standard has been achieved on average for at least one continuous 12-month period (excluding planned outages) by each of at least 3 units within such subcategory—

(i) each of which is located at a different electric generating station in the United States;

(ii) which, collectively, are representative of the operating characteristics of electric generation at different locations in the United States; and

(iii) each of which is operated for the entire 12-month period on a full commercial basis; and

(B) no results obtained from any demonstration project are used in setting such standard.

(d) TECHNOLOGIES.—Nothing in this section shall be construed to preclude the issuance, implementation, or enforcement of a standard of performance that—

(1) is based on the use of one or more technologies that are developed in a foreign country, but has been demonstrated to be achievable at fossil fuel-fired electric utility generating units in the United States; and

(2) meets the requirements of subsections (b) and (c), as applicable.

SEC. 2302. CONGRESS TO SET EFFECTIVE DATE FOR STANDARDS OF PERFORMANCE FOR EXISTING, MODIFIED, AND RECONSTRUCTED FOSSIL FUEL-FIRED ELECTRIC UTILITY GENERATING UNITS.

(a) APPLICABILITY.—This section applies with respect to any rule or guidelines issued by the Administrator of the Environmental Protection Agency under section 111 of the Clean Air Act (42 U.S.C. 7411) that—

(1) establish any standard of performance for emissions of any greenhouse gas from any modified

or reconstructed source that is a fossil fuel-fired electric utility generating unit; or

(2) apply to the emissions of any greenhouse gas from an existing source that is a fossil fuel-fired electric utility generating unit.

(b) CONGRESS TO SET EFFECTIVE DATE.—A rule or guidelines described in subsection (a) shall not take effect unless a Federal law is enacted specifying such rule's or guidelines' effective date.

(c) REPORTING.—A rule or guidelines described in subsection (a) shall not take effect unless the Administrator of the Environmental Protection Agency has submitted to Congress a report containing each of the following:

(1) The text of such rule or guidelines.

(2) The economic impacts of such rule or guidelines, including the potential effects on—

(A) economic growth, competitiveness, and jobs in the United States;

(B) electricity ratepayers, including low-income ratepayers in affected States;

(C) required capital investments and projected costs for operation and maintenance of new equipment required to be installed; and

(D) the global economic competitiveness of the United States.

(3) The amount of greenhouse gas emissions that such rule or guidelines are projected to reduce as compared to overall global greenhouse gas emissions.

(d) CONSULTATION.—In carrying out subsection (c), the Administrator of the Environmental Protection Agency shall consult with the Administrator of the Energy Information Administration, the Comptroller General of the United States, the Director of the National Energy Technology Laboratory, and the Under Secretary of Commerce for Standards and Technology.

SEC. 2303. REPEAL OF EARLIER RULES AND GUIDELINES.

The following rules and guidelines shall be of no force or effect, and shall be treated as though such rules and guidelines had never been issued:

(1) The proposed rule—

(A) entitled ''Standards of Performance for Greenhouse Gas Emissions for New Stationary Sources: Electric Utility Generating Units'', published at 77 Fed. Reg. 22392 (April 13, 2012); and

(B) withdrawn pursuant to the notice entitled ''Withdrawal of Proposed Standards of

Performance for Greenhouse Gas Emissions for New Stationary Sources: Electric Utility Generating Units'', signed by the Administrator of the Environmental Protection Agency on September 20, 2013, and identified by docket ID number EPA–HQ–OAR–2011–0660.

(2) The proposed rule entitled ''Standards of Performance for Greenhouse Gas Emissions from New Stationary Sources: Electric Utility Generating Units'', signed by the Administrator of the Environmental Protection Agency on September 20, 2013, and identified by docket ID number EPA–HQ–OAR–2013–0495.

(3) With respect to the proposed rule described in paragraph (1), any successor or substantially similar proposed or final rule that—

(A) is issued prior to the date of the enactment of this Act;

(B) is applicable to any new source that is a fossil fuel-fired electric utility generating unit; and

(C) does not meet the requirements under subsections (b) and (c) of section 2.

(4) Any proposed or final rule or guidelines under section 111 of the Clean Air Act (42 U.S.C. 7411) that—

(A) are issued prior to the date of the enactment of this Act; and

(B) establish any standard of performance for emissions of any greenhouse gas from any modified or reconstructed source that is a fossil fuel-fired electric utility generating unit or apply to the emissions of any greenhouse gas from an existing source that is a fossil fuel-fired electric utility generating unit.

SEC. 2304. DEFINITIONS.

In this subtitle:

(1) DEMONSTRATION PROJECT.—The term ''demonstration project'' means a project to test or demonstrate the feasibility of carbon capture and storage technologies that has received Federal Government funding or financial assistance.

(2) EXISTING SOURCE.—The term ''existing source'' has the meaning given such term in section 111(a) of the Clean Air Act (42 U.S.C. 7411(a)), except such term shall not include any modified source.

(3) GREENHOUSE GAS.—The term ''greenhouse gas'' means any of the following:

(A) Carbon dioxide.

(B) Methane.

(C) Nitrous oxide.

(D) Sulfur hexafluoride.

(E) Hydrofluorocarbons.

(F) Perfluorocarbons.

(4) MODIFICATION.—The term ''modification'' has the meaning given such term in section 111(a) of the Clean Air Act (42 U.S.C. 7411(a)).

(5) MODIFIED SOURCE.—The term ''modified source'' means any stationary source, the modification of which is commenced after the date of the enactment of this Act.

(6) NEW SOURCE.—The term ''new source'' has the meaning given such term in section 111(a) of the Clean Air Act (42 U.S.C. 7411(a)), except that such term shall not include any modified source.

Subtitle D—Coal Residuals Reuse and Management

SEC. 2401. MANAGEMENT AND DISPOSAL OF COAL COMBUSTION RESIDUALS.

(a) IN GENERAL.—Subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.) is amended by adding at the end the following:

"SEC. 4011. MANAGEMENT AND DISPOSAL OF COAL COMBUSTION RESIDUALS.

''(a) STATE PERMIT PROGRAMS FOR COAL COMBUSTION RESIDUALS.—Each State may adopt, implement, and enforce a coal combustion residuals permit program if such State provides the notification required under subsection (b)(1), and the certification required under subsection (b)(2).

''(b) STATE ACTIONS.—

''(1) NOTIFICATION.—Not later than 6 months after the date of enactment of this section (except as provided by the deadline identified under subsection (d)(3)(B)), the Governor of each State shall notify the Administrator, in writing, whether such State will adopt and implement a coal combustion residuals permit program.

''(2) CERTIFICATION.—

"(A) IN GENERAL.—Not later than 36 months after the date of enactment of this section (except as provided in subsection (f)(1)(A)), in the case of a State that has notified the Administrator that it will implement a coal combustion residuals permit program, the head of the lead State implementing agency shall submit to the Administrator a certification that such coal combustion residuals permit program meets the requirements described in subsection (c).

"(B) CONTENTS.—A certification submitted under this paragraph shall include—

"(i) a letter identifying the lead State implementing agency, signed by the head of such agency;

"(ii) identification of any other State agencies involved with the implementation of the coal combustion residuals permit program;

"(iii) an explanation of how the State coal combustion residuals permit program meets the requirements of this section, including a description of the State's—

''(I) process to inspect or otherwise determine compliance with such permit program;

''(II) process to enforce the requirements of such permit program;

''(III) public participation process for the promulgation, amendment, or repeal of regulations for, and the issuance of permits under, such permit program;

''(IV) statutes, regulations, or policies pertaining to public access to information, such as groundwater monitoring data; and

''(V) statutes, regulations, or policies pertaining to structural integrity or dam safety that may be applied to structures through such permit program;

''(iv) a certification that the State has in effect, at the time of certification, statutes or regulations necessary to implement a coal combustion residuals permit program that meets the requirements described in subsection (c);

"(v) copies of State statutes and regulations described in clause (iv); and

"(vi) an emergency action plan for State response to a leak or spill at a structure that receives coal combustion residuals.

"(C) UPDATES.—A State may update the certification as needed to reflect changes to the coal combustion residuals permit program.

"(3) MAINTENANCE OF 4005(c) OR 3006 PROGRAM.—In order to adopt or implement a coal combustion residuals permit program under this section (including pursuant to subsection (f)), the State implementing agency shall maintain an approved permit program or other system of prior approval and conditions under section 4005(c) or an authorized program under section 3006.

"(c) REQUIREMENTS FOR A COAL COMBUSTION RESIDUALS PERMIT PROGRAM.—A coal combustion residuals permit program shall consist of the following:

"(1) GENERAL REQUIREMENTS.—

"(A) IN GENERAL.—The implementing agency shall—

"(i) apply the subset of the revised criteria described in paragraph (2) to own-

ers or operators of structures, including surface impoundments, that receive coal combustion residuals on or after the date of enactment of this section;

''(ii) with respect to structures that are receiving coal combustion residuals as of the date of enactment of this section, take the actions required under paragraph (3);

''(iii) impose requirements for surface impoundments that do not meet certain criteria pursuant to paragraph (4); and

''(iv) require that closure of structures occur in accordance with paragraph (5).

''(B) STRUCTURAL INTEGRITY.—

''(i) ENGINEERING CERTIFICATION.—The implementing agency shall require that an independent registered professional engineer certify that—

''(I) the design of each structure that receives coal combustion residuals on or after the date of enactment of this section is in accordance with recognized and generally accepted good engineering practices for con-

tainment of the maximum volume of coal combustion residuals and liquids which can be impounded therein; and

"(II) the construction and maintenance of the structure will ensure structural stability.

"(ii) EMERGENCY ACTION PLAN.—The implementing agency shall require that the owner or operator of any structure that is a surface impoundment that receives coal combustion residuals on or after the date of enactment of this section and that is classified by the State as posing a high hazard potential pursuant to the guidelines published by the Federal Emergency Management Agency entitled 'Federal Guidelines for Dam Safety: Hazard Potential Classification System for Dams' (FEMA Publication Number 333) prepare and maintain an emergency action plan that identifies responsible persons and actions to be taken in the event of a dam safety emergency.

"(iii) INSPECTION.—

"(I) IN GENERAL.—The implementing agency shall require that structures that are surface impoundments that receive coal combustion residuals on or after the date of enactment of this section be inspected not less than annually by an independent registered professional engineer to assure that the design, operation, and maintenance of the surface impoundment is in accordance with recognized and generally accepted good engineering practices for containment of the maximum volume of coal combustion residuals and liquids which can be impounded therein, so as to ensure dam stability.

"(II) POTENTIALLY HAZARDOUS CONDITIONS.—The implementing agency shall require that if an inspection under subclause (I), or a periodic evaluation under clause (iv), reveals a potentially hazardous condition, the owner or operator of the structure shall immediately take action to miti-

gate the potentially hazardous condition and notify appropriate State and local first responders.

''(iv) PERIODIC EVALUATION.—The implementing agency shall require that structures that are surface impoundments that receive coal combustion residuals on or after the date of enactment of this section be periodically evaluated for appearances of structural weakness.

''(v) DEFICIENCY.—

''(I) IN GENERAL.—If the head of the implementing agency determines that a structure is deficient with respect to the requirements in clause (i), (iii), or (iv), the head of the agency has the authority to require action to correct the deficiency according to a schedule determined by the agency.

''(II) UNCORRECTED DEFICIENCIES.—If a deficiency is not corrected according to the schedule, the head of the implementing agency has the authority to require that the

structure close in accordance with paragraph (5).

"(III) DAM SAFETY CONSULTATION.—In the case of a structure that is a surface impoundment, the head of the implementing agency shall, in making a determination under subclause (I), consult with appropriate State dam safety officials.

"(C) LOCATION.—The implementing agency shall require that structures that first receive coal combustion residuals on or after the date of enactment of this section shall be constructed with a base located a minimum of 2 feet above the upper limit of the water table, unless it is demonstrated to the satisfaction of the implementing agency that—

"(i) the hydrogeologic characteristics of a structure and surrounding land would preclude such a requirement; and

"(ii) the function and integrity of the liner system will not be adversely impacted by contact with the water table.

"(D) WIND DISPERSAL.—

''(i) IN GENERAL.—The implementing agency shall require that owners or operators of structures that receive coal combustion residuals on or after the date of enactment of this section address wind dispersal of dust by requiring cover, or by wetting coal combustion residuals with water to a moisture content that prevents wind dispersal, facilitates compaction, and does not result in free liquids.

''(ii) ALTERNATIVE METHODS.—Subject to the review and approval by the implementing agency, owners or operators of structures that receive coal combustion residuals on or after the date of enactment of this section may propose alternative methods to address wind dispersal of dust that will provide comparable or more effective control of dust.

''(E) PERMITS.—The implementing agency shall require that owners or operators of structures that receive coal combustion residuals on or after the date of enactment of this section apply for and obtain permits incorporating the

requirements of the coal combustion residuals permit program.

''(F) PUBLIC AVAILABILITY OF INFORMATION.—Except for information with respect to which disclosure is prohibited under section 1905 of title 18, United States Code, the implementing agency shall ensure that—

''(i) documents for permit determinations are made available for public review and comment under the public participation process described in subsection (b)(2)(B)(iii)(III) or in subsection (e)(6), as applicable;

''(ii) final determinations on permit applications are made known to the public; and

''(iii) groundwater monitoring data collected under paragraph (2) is publicly available.

''(G) AGENCY AUTHORITY.—

''(i) IN GENERAL.—The implementing agency has the authority to—

''(I) obtain information necessary to determine whether the owner or operator of a structure is in compliance

with the requirements of this subsection;

''(II) conduct or require monitoring and testing to ensure that structures are in compliance with the requirements of this subsection; and

''(III) enter, at reasonable times, any site or premise subject to the coal combustion residuals permit program for the purpose of inspecting structures and reviewing records relevant to the design, operation, and maintenance of structures.

''(ii) MONITORING AND TESTING.—If monitoring or testing is conducted under clause (i)(II) by or for the implementing agency, the implementing agency shall, if requested, provide to the owner or operator—

''(I) a written description of the monitoring or testing completed;

''(II) at the time of sampling, a portion of each sample equal in volume or weight to the portion retained

by or for the implementing agency; and

''(III) a copy of the results of any analysis of samples collected by or for the implementing agency.

''(2) REVISED CRITERIA.—The subset of the revised criteria referred to in paragraph (1)(A)(i) are as follows:

''(A) DESIGN REQUIREMENTS.—For new structures, and lateral expansions of existing structures, that first receive coal combustion residuals on or after the date of enactment of this section, the revised criteria regarding design requirements described in section 258.40 of title 40, Code of Federal Regulations, except that the leachate collection system requirements described in section 258.40(a)(2) of title 40, Code of Federal Regulations, do not apply to structures that are surface impoundments.

''(B) GROUNDWATER MONITORING AND CORRECTIVE ACTION.—For all structures that receive coal combustion residuals on or after the date of enactment of this section, the revised criteria regarding groundwater monitoring and corrective action requirements described in sub-

part E of part 258 of title 40, Code of Federal Regulations, except that, for the purposes of this subparagraph, the revised criteria shall also include—

"(i) for the purposes of detection monitoring, the constituents boron, chloride, conductivity, fluoride, mercury, pH, sulfate, sulfide, and total dissolved solids; and

"(ii) for the purposes of assessment monitoring, establishing a groundwater protection standard, and assessment of corrective measures, the constituents aluminum, boron, chloride, fluoride, iron, manganese, molybdenum, pH, sulfate, and total dissolved solids.

"(C) CLOSURE.—For all structures that receive coal combustion residuals on or after the date of enactment of this section, in a manner consistent with paragraph (5), the revised criteria for closure described in subsections (a) through (c) and (h) through (j) of section 258.60 of title 40, Code of Federal Regulations.

"(D) POST-CLOSURE.—For all structures that receive coal combustion residuals on or

after the date of enactment of this section, the revised criteria for post-closure care described in section 258.61 of title 40, Code of Federal Regulations, except for the requirement described in subsection (a)(4) of that section.

''(E) LOCATION RESTRICTIONS.—The revised criteria for location restrictions described in—

''(i) for new structures, and lateral expansions of existing structures, that first receive coal combustion residuals on or after the date of enactment of this section, sections 258.11 through 258.15 of title 40, Code of Federal Regulations; and

''(ii) for existing structures that receive coal combustion residuals on or after the date of enactment of this section, sections 258.11 and 258.15 of title 40, Code of Federal Regulations.

''(F) AIR QUALITY.—For all structures that receive coal combustion residuals on or after the date of enactment of this section, the revised criteria for air quality described in section 258.24 of title 40, Code of Federal Regulations.

"(G) FINANCIAL ASSURANCE.—For all structures that receive coal combustion residuals on or after the date of enactment of this section, the revised criteria for financial assurance described in subpart G of part 258 of title 40, Code of Federal Regulations.

"(H) SURFACE WATER.—For all structures that receive coal combustion residuals on or after the date of enactment of this section, the revised criteria for surface water described in section 258.27 of title 40, Code of Federal Regulations.

"(I) RECORDKEEPING.—For all structures that receive coal combustion residuals on or after the date of enactment of this section, the revised criteria for recordkeeping described in section 258.29 of title 40, Code of Federal Regulations.

"(J) RUN-ON AND RUN-OFF CONTROL SYSTEMS FOR LAND-BASED UNITS.—For all landfills and other land-based units, other than surface impoundments, that receive coal combustion residuals on or after the date of enactment of this section, the revised criteria for run-on

and run-off control systems described in section 258.26 of title 40, Code of Federal Regulations.

''(K) RUN-OFF CONTROL SYSTEMS FOR SURFACE IMPOUNDMENTS.—For all surface impoundments that receive coal combustion residuals on or after the date of enactment of this section, the revised criteria for run-off control systems described in section 258.26(a)(2) of title 40, Code of Federal Regulations.

''(3) PERMIT PROGRAM IMPLEMENTATION FOR EXISTING STRUCTURES.—

''(A) NOTIFICATION.—Not later than the date on which a State submits a certification under subsection (b)(2), not later than 30 months after the Administrator receives notice under subsection (e)(1)(A), or not later than 36 months after the date of enactment of this section with respect to a coal combustion residuals permit program that is being implemented by the Administrator under subsection (e)(3), as applicable, the implementing agency shall notify owners or operators of structures that are receiving coal combustion residuals as of the date of enactment of this section within the State of—

"(i) the obligation to apply for and obtain a permit under subparagraph (C); and

"(ii) the requirements referred to in subparagraph (B).

"(B) COMPLIANCE WITH CERTAIN REQUIREMENTS.—Not later than 12 months after the date on which a State submits a certification under subsection (b)(2), not later than 42 months after the Administrator receives notice under subsection (e)(1)(A), or not later than 48 months after the date of enactment of this section with respect to a coal combustion residuals permit program that is being implemented by the Administrator under subsection (e)(3), as applicable, the implementing agency shall require owners or operators of structures that are receiving coal combustion residuals as of the date of enactment of this section to comply with—

"(i) the requirements under paragraphs (1)(B) (ii) and (iii), (1)(D), (2)(B), (2)(F), (2)(H), (2)(J), and (2)(K); and

"(ii) the groundwater recordkeeping requirement described in section

258.29(a)(5) of title 40, Code of Federal Regulations.

"(C) PERMITS.—

"(i) PERMIT DEADLINE.—Not later than 48 months after the date on which a State submits a certification under subsection (b)(2), not later than 78 months after the Administrator receives notice under subsection (e)(1)(A), or not later than 84 months after the date of enactment of this section with respect to a coal combustion residuals permit program that is being implemented by the Administrator under subsection (e)(3), as applicable, the implementing agency shall issue, with respect to a structure that is receiving coal combustion residuals as of the date of enactment of this section, a final permit incorporating the requirements of the coal combustion residuals permit program, or a final denial for an application submitted requesting such a permit.

"(ii) APPLICATION DEADLINE.—The implementing agency shall identify, in collaboration with the owner or operator of a

structure described in clause (i), a reasonable deadline by which the owner or operator shall submit a permit application under such clause.

''(D) INTERIM OPERATION.—

''(i) PRIOR TO DEADLINES.—With respect to any period of time on or after the date of enactment of this section but prior to the applicable deadline in subparagraph (B), the owner or operator of a structure that is receiving coal combustion residuals as of the date of enactment of this section may continue to operate such structure until such applicable deadline under the applicable authority in effect.

''(ii) PRIOR TO PERMIT.—Unless the implementing agency determines that the structure should close pursuant to paragraph (5), if the owner or operator of a structure that is receiving coal combustion residuals as of the date of enactment of this section meets the requirements referred to in subparagraph (B) by the applicable deadline in such subparagraph, the owner or operator may operate the struc-

ture until such time as the implementing agency issues, under subparagraph (C), a final permit incorporating the requirements of the coal combustion residuals permit program, or a final denial for an application submitted requesting such a permit.

''(4) REQUIREMENTS FOR SURFACE IMPOUNDMENTS THAT DO NOT MEET CERTAIN CRITERIA.—

''(A) SURFACE IMPOUNDMENTS THAT REQUIRE ASSESSMENT OF CORRECTIVE MEASURES WITHIN 10 YEARS OF THE DATE OF ENACTMENT.—

''(i) IN GENERAL.—In addition to the groundwater monitoring and corrective action requirements described in paragraph (2)(B), the implementing agency shall require a surface impoundment that receives coal combustion residuals on or after the date of enactment of this section to comply with the requirements in clause (ii) of this subparagraph and clauses (i) and (ii) of subparagraph (D) if the surface impoundment—

''(I) does not—

"(aa) have a liner system described in section 258.40(b) of title 40, Code of Federal Regulations; and

"(bb) meet the design criteria described in section 258.40(a)(1) of title 40, Code of Federal Regulations; and

"(II) within 10 years after the date of enactment of this section, is required under section 258.56(a) of title 40, Code of Federal Regulations, to undergo an assessment of corrective measures for any constituent covered under subpart E of part 258 of title 40, Code of Federal Regulations, or otherwise identified in paragraph (2)(B)(ii) of this subsection, for which assessment groundwater monitoring is required.

"(ii) DEADLINE TO MEET GROUNDWATER PROTECTION STANDARD.—Except as provided in subparagraph (C), the implementing agency shall require that the groundwater protection standard, for sur-

face impoundments identified in clause (i) of this subparagraph, established by the implementing agency under section 258.55(h) or 258.55(i) of title 40, Code of Federal Regulations, for any constituent for which corrective measures are required shall be met—

"(I) as soon as practicable at the relevant point of compliance, as described in section 258.40(d) of title 40, Code of Federal Regulations; and

"(II) not later than 10 years after the date of enactment of this section.

"(B) SURFACE IMPOUNDMENTS SUBJECT TO A STATE CORRECTIVE ACTION REQUIREMENT AS OF THE DATE OF ENACTMENT.—

"(i) IN GENERAL.—In addition to the groundwater monitoring and corrective action requirements described in paragraph (2)(B), the implementing agency shall require a surface impoundment that receives coal combustion residuals on or after the date of enactment of this section to comply with the requirements in clause (ii) of this

subparagraph and clauses (i) and (ii) of subparagraph (D) if the surface impoundment—

"(I) does not—

"(aa) have a liner system described in section 258.40(b) of title 40, Code of Federal Regulations; and

"(bb) meet the design criteria described in section 258.40(a)(1) of title 40, Code of Federal Regulations; and

"(II) as of the date of enactment of this section, is subject to a State corrective action requirement.

"(ii) DEADLINE TO MEET GROUNDWATER PROTECTION STANDARD.—Except as provided in subparagraph (C), the implementing agency shall require that the groundwater protection standard, for surface impoundments identified in clause (i) of this subparagraph, established by the implementing agency under section 258.55(h) or 258.55(i) of title 40, Code of Federal Regulations, for any constituent

for which corrective measures are required shall be met—

"(I) as soon as practicable at the relevant point of compliance, as described in section 258.40(d) of title 40, Code of Federal Regulations; and

"(II) not later than 8 years after the date of enactment of this section.

"(C) EXTENSION OF DEADLINE.—

"(i) IN GENERAL.—Except as provided in clause (ii) of this subparagraph, the deadline for meeting a groundwater protection standard under subparagraph (A)(ii) or (B)(ii) may be extended by the implementing agency, after opportunity for public notice and comment under the public participation process described in subsection (b)(2)(B)(iii)(III), or in subsection (e)(6) based on—

"(I) the effectiveness of any interim measures implemented by the owner or operator of the facility under section 258.58(a)(3) of title 40, Code of Federal Regulations;

''(II) the level of progress demonstrated in meeting the groundwater protection standard;

''(III) the potential for other adverse human health or environmental exposures attributable to the contamination from the surface impoundment undergoing corrective action; and

''(IV) the lack of available alternative management capacity for the coal combustion residuals and related materials managed in the impoundment at the facility at which the impoundment is located if the owner or operator has used best efforts, as necessary, to design, obtain any necessary permits, finance, construct, and render operational the alternative management capacity during the time period for meeting a groundwater protection standard in subparagraph (A)(ii) or (B)(ii).

''(ii) EXCEPTION.—The deadline under subparagraph (A)(ii) or (B)(ii) shall not be extended if there has been contami-

nation of public or private drinking water systems attributable to a surface impoundment undergoing corrective action, unless the contamination has been addressed by providing a permanent replacement water system.

''(D) ADDITIONAL REQUIREMENTS.—

''(i) CLOSURE.—If the deadline under subparagraph (A)(ii), (B)(ii), or (C) is not satisfied, the surface impoundment shall cease receiving coal combustion residuals and initiate closure under paragraph (5).

''(ii) INTERIM MEASURES.—

''(I) IN GENERAL.—Except as provided in subclause (II), not later than 90 days after the date on which the assessment of corrective measures is initiated, the owner or operator of a surface impoundment described in subparagraph (A) or (B) shall implement interim measures, as necessary, under the factors in section 258.58(a)(3) of title 40, Code of Federal Regulations.

"(II) IMPOUNDMENTS SUBJECT TO STATE CORRECTIVE ACTION REQUIREMENT AS OF THE DATE OF ENACTMENT.—Subclause (I) shall only apply to surface impoundments subject to a State corrective action requirement as of the date of enactment of this section if the owner or operator has not implemented interim measures, as necessary, under the factors in section 258.58(a)(3) of title 40, Code of Federal Regulations.

"(E) SURFACE IMPOUNDMENTS THAT REQUIRE ASSESSMENT OF CORRECTIVE MEASURES MORE THAN 10 YEARS AFTER DATE OF ENACTMENT.—

"(i) IN GENERAL.—In addition to the groundwater monitoring and corrective action requirements described in paragraph (2)(B), the implementing agency shall require a surface impoundment that receives coal combustion residuals on or after the date of enactment of this section to comply with the requirements in clause (ii) if the surface impoundment—

"(I) does not—

"(aa) have a liner system described in section 258.40(b) of title 40, Code of Federal Regulations; and

"(bb) meet the design criteria described in section 258.40(a)(1) of title 40, Code of Federal Regulations; and

"(II) more than 10 years after the date of enactment of this section, is required under section 258.56(a) title 40, Code of Federal Regulations, to undergo an assessment of corrective measures for any constituent covered under subpart E of part 258 of title 40, Code of Federal Regulations, or otherwise identified in paragraph (2)(B)(ii) of this subsection, for which assessment groundwater monitoring is required.

"(ii) REQUIREMENTS.—

"(I) CLOSURE.—The surface impoundments identified in clause (i) shall cease receiving coal combustion

residuals and initiate closure in accordance with paragraph (5) after alternative management capacity at the facility is available for the coal combustion residuals and related materials managed in the impoundment.

''(II) BEST EFFORTS.—The alternative management capacity shall be developed as soon as practicable with the owner or operator using best efforts to design, obtain necessary permits for, finance, construct, and render operational the alternative management capacity.

''(III) ALTERNATIVE CAPACITY MANAGEMENT PLAN.—The owner or operator shall, in collaboration with the implementing agency, prepare a written plan that describes the steps necessary to develop the alternative management capacity and includes a schedule for completion.

''(IV) PUBLIC PARTICIPATION.—The plan described in subclause (III) shall be subject to public notice and

comment under the public participation process described in subsection (b)(2)(B)(iii)(III) or in subsection (e)(6), as applicable.

"(5) CLOSURE.—

"(A) IN GENERAL.—If it is determined by the implementing agency that a structure should close because the requirements of a coal combustion residuals permit program are not being satisfied with respect to such structure, or if it is determined by the owner or operator that a structure should close, the time period and method for the closure of such structure shall be set forth in a closure plan that establishes a deadline for completion of closure as soon as practicable and that takes into account the nature and the site-specific characteristics of the structure to be closed.

"(B) SURFACE IMPOUNDMENT.—In the case of a surface impoundment, the closure plan under subparagraph (A) shall require, at a minimum, the removal of liquid and the stabilization of remaining waste, as necessary to support the final cover.

''(d) FEDERAL REVIEW OF STATE PERMIT PROGRAMS.—

''(1) IN GENERAL.—The Administrator shall provide to a State written notice and an opportunity to remedy deficiencies in accordance with paragraph (3) if at any time the State—

''(A) does not satisfy the notification requirement under subsection (b)(1);

''(B) has not submitted a certification required under subsection (b)(2);

''(C) does not satisfy the maintenance requirement under subsection (b)(3);

''(D) is not implementing a coal combustion residuals permit program, with respect to which the State has submitted a certification under subsection (b)(2), that meets the requirements described in subsection (c);

''(E) is not implementing a coal combustion residuals permit program, with respect to which the State has submitted a certification under subsection (b)(2)—

''(i) that is consistent with such certification; and

"(ii) for which the State continues to have in effect statutes or regulations necessary to implement such program; or

"(F) does not make available to the Administrator, within 90 days of a written request, specific information necessary for the Administrator to ascertain whether the State has satisfied the requirements described in subparagraphs (A) through (E).

"(2) REQUEST.—If a request described in paragraph (1)(F) is proposed pursuant to a petition to the Administrator, the Administrator shall only make the request if the Administrator does not possess the information necessary to ascertain whether the State has satisfied the requirements described in subparagraphs (A) through (E) of such paragraph.

"(3) CONTENTS OF NOTICE; DEADLINE FOR RESPONSE.—A notice provided under paragraph (1) shall—

"(A) include findings of the Administrator detailing any applicable deficiencies described in subparagraphs (A) through (F) of paragraph (1); and

"(B) identify, in collaboration with the State, a reasonable deadline by which the State

shall remedy such applicable deficiencies, which shall be—

"(i) in the case of a deficiency described in subparagraphs (A) through (E) of paragraph (1), not earlier than 180 days after the date on which the State receives the notice; and

"(ii) in the case of a deficiency described in paragraph (1)(F), not later than 90 days after the date on which the State receives the notice.

"(4) CRITERIA FOR DETERMINING DEFICIENCY OF STATE PERMIT PROGRAM.—In making a determination whether a State has failed to satisfy the requirements described in subparagraphs (A) through (E) of paragraph (1), or a determination under subsection (e)(1)(B), the Administrator shall consider, as appropriate—

"(A) whether the State's statutes or regulations to implement a coal combustion residuals permit program are not sufficient to meet the requirements described in subsection (c) because of—

"(i) failure of the State to promulgate or enact new statutes or regulations when necessary; or

"(ii) action by a State legislature or court striking down or limiting such State statutes or regulations;

"(B) whether the operation of the State coal combustion residuals permit program fails to comply with the requirements of subsection (c) because of—

"(i) failure of the State to issue permits as required in subsection (c)(1)(E);

"(ii) repeated issuance of permits by the State which do not meet the requirements of subsection (c);

"(iii) failure of the State to comply with the public participation requirements of this section; or

"(iv) failure of the State to implement corrective action requirements as described in subsection (c)(2)(B); and

"(C) whether the enforcement of a State coal combustion residuals permit program fails to comply with the requirements of this section because of—

''(i) failure to act on violations of permits, as identified by the State; or

''(ii) repeated failure by the State to inspect or otherwise determine compliance pursuant to the process identified in subsection (b)(2)(B)(iii)(I).

''(e) IMPLEMENTATION BY ADMINISTRATOR.—

''(1) FEDERAL BACKSTOP AUTHORITY.—The Administrator shall implement a coal combustion residuals permit program for a State only if—

''(A) the Governor of the State notifies the Administrator under subsection (b)(1) that the State will not adopt and implement a permit program;

''(B) the State has received a notice under subsection (d) and the Administrator determines, after providing a 30-day period for notice and public comment, that the State has failed, by the deadline identified in the notice under subsection (d)(3)(B), to remedy the deficiencies detailed in the notice under subsection (d)(3)(A); or

''(C) the State informs the Administrator, in writing, that such State will no longer implement such a permit program.

''(2) REVIEW.—A State may obtain a review of a determination by the Administrator under this subsection as if the determination was a final regulation for purposes of section 7006.

''(3) OTHER STRUCTURES.—For structures that receive coal combustion residuals on or after the date of enactment of this section located on property within the exterior boundaries of a State that the State does not have authority or jurisdiction to regulate, the Administrator shall implement a coal combustion residuals permit program only for those structures.

''(4) REQUIREMENTS.—If the Administrator implements a coal combustion residuals permit program for a State under paragraph (1) or (3), the permit program shall consist of the requirements described in subsection (c).

''(5) ENFORCEMENT.—

''(A) IN GENERAL.—If the Administrator implements a coal combustion residuals permit program for a State under paragraph (1)—

''(i) the authorities referred to in section 4005(c)(2)(A) shall apply with respect to coal combustion residuals and structures for which the Administrator is imple-

menting the coal combustion residuals permit program; and

''(ii) the Administrator may use those authorities to inspect, gather information, and enforce the requirements of this section in the State.

''(B) OTHER STRUCTURES.—If the Administrator implements a coal combustion residuals permit program under paragraph (3)—

''(i) the authorities referred to in section 4005(c)(2)(A) shall apply with respect to coal combustion residuals and structures for which the Administrator is implementing the coal combustion residuals permit program; and

''(ii) the Administrator may use those authorities to inspect, gather information, and enforce the requirements of this section for the structures for which the Administrator is implementing the coal combustion residuals permit program.

''(6) PUBLIC PARTICIPATION PROCESS.—If the Administrator implements a coal combustion residuals permit program for a State under this subsection, the Administrator shall provide a 30-day pe-

riod for the public participation process required in paragraphs (1)(F)(i), (4)(C)(i), and (4)(E)(ii)(IV) of subsection (c).

''(f) STATE CONTROL AFTER IMPLEMENTATION BY ADMINISTRATOR.—

''(1) STATE CONTROL.—

''(A) NEW ADOPTION, OR RESUMPTION OF, AND IMPLEMENTATION BY STATE.—For a State for which the Administrator is implementing a coal combustion residuals permit program under subsection (e)(1)(A), or subsection (e)(1)(C), the State may adopt and implement such a permit program by—

''(i) notifying the Administrator that the State will adopt and implement such a permit program;

''(ii) not later than 6 months after the date of such notification, submitting to the Administrator a certification under subsection (b)(2); and

''(iii) receiving from the Administrator—

''(I) a determination, after providing a 30-day period for notice and public comment, that the State coal

combustion residuals permit program meets the requirements described in subsection (c); and

''(II) a timeline for transition of control of the coal combustion residuals permit program.

''(B) REMEDYING DEFICIENT PERMIT PROGRAM.—For a State for which the Administrator is implementing a coal combustion residuals permit program under subsection (e)(1)(B), the State may adopt and implement such a permit program by—

''(i) remedying only the deficiencies detailed in the notice pursuant to subsection (d)(3)(A); and

''(ii) receiving from the Administrator—

''(I) a determination, after providing a 30-day period for notice and public comment, that the deficiencies detailed in such notice have been remedied; and

''(II) a timeline for transition of control of the coal combustion residuals permit program.

''(2) REVIEW OF DETERMINATION.—

''(A) DETERMINATION REQUIRED.—The Administrator shall make a determination under paragraph (1) not later than 90 days after the date on which the State submits a certification under paragraph (1)(A)(ii), or notifies the Administrator that the deficiencies have been remedied pursuant to paragraph (1)(B)(i), as applicable.

''(B) REVIEW.—A State may obtain a review of a determination by the Administrator under paragraph (1) as if such determination was a final regulation for purposes of section 7006.

''(3) IMPLEMENTATION DURING TRANSITION.—

''(A) EFFECT ON ACTIONS AND ORDERS.—Program requirements of, and actions taken or orders issued pursuant to, a coal combustion residuals permit program shall remain in effect if—

''(i) a State takes control of its coal combustion residuals permit program from the Administrator under paragraph (1); or

''(ii) the Administrator takes control of a coal combustion residuals permit program from a State under subsection (e).

''(B) CHANGE IN REQUIREMENTS.—Subparagraph (A) shall apply to such program requirements, actions, and orders until such time as—

''(i) the implementing agency changes the requirements of the coal combustion residuals permit program with respect to the basis for the action or order; or

''(ii) the State or the Administrator, whichever took the action or issued the order, certifies the completion of a corrective action that is the subject of the action or order.

''(4) SINGLE PERMIT PROGRAM.—If a State adopts and implements a coal combustion residuals permit program under this subsection, the Administrator shall cease to implement the permit program implemented under subsection (e)(1) for such State.

''(g) EFFECT ON DETERMINATION UNDER 4005(c) OR 3006.—The Administrator shall not consider the implementation of a coal combustion residuals permit program by the Administrator under subsection (e) in making

a determination of approval for a permit program or other system of prior approval and conditions under section 4005(c) or of authorization for a program under section 3006.

''(h) AUTHORITY.—

''(1) STATE AUTHORITY.—Nothing in this section shall preclude or deny any right of any State to adopt or enforce any regulation or requirement respecting coal combustion residuals that is more stringent or broader in scope than a regulation or requirement under this section.

''(2) AUTHORITY OF THE ADMINISTRATOR.—

''(A) IN GENERAL.—Except as provided in subsections (d) and (e) and section 6005, the Administrator shall, with respect to the regulation of coal combustion residuals, defer to the States pursuant to this section.

''(B) IMMINENT HAZARD.—Nothing in this section shall be construed as affecting the authority of the Administrator under section 7003 with respect to coal combustion residuals.

''(C) ENFORCEMENT ASSISTANCE ONLY UPON REQUEST.—Upon request from the head of a lead State agency that is implementing a coal combustion residuals permit program, the

Administrator may provide to such State agency only the enforcement assistance requested.

"(D) CONCURRENT ENFORCEMENT.—Except as provided in subparagraph (C), the Administrator shall not have concurrent enforcement authority when a State is implementing a coal combustion residuals permit program, including during any period of interim operation described in subsection (c)(3)(D).

"(E) OTHER AUTHORITY.—The Administrator shall not have authority to finalize the proposed rule published at pages 35128 through 35264 of volume 75 of the Federal Register (June 21, 2010).

"(F) OTHER RESPONSE AUTHORITY.—Nothing in this section shall be construed as affecting the authority of the Administrator under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) with respect to coal combustion residuals.

"(3) CITIZEN SUITS.—Nothing in this section shall be construed to affect the authority of a person to commence a civil action in accordance with section 7002.

''(i) MINE RECLAMATION ACTIVITIES.—A coal combustion residuals permit program implemented by the Administrator under subsection (e) shall not apply to the utilization, placement, and storage of coal combustion residuals at surface mining and reclamation operations.

''(j) DEFINITIONS.—In this section:

''(1) COAL COMBUSTION RESIDUALS.—The term 'coal combustion residuals' means—

''(A) the solid wastes listed in section 3001(b)(3)(A)(i), including recoverable materials from such wastes;

''(B) coal combustion wastes that are co-managed with wastes produced in conjunction with the combustion of coal, provided that such wastes are not segregated and disposed of separately from the coal combustion wastes and comprise a relatively small proportion of the total wastes being disposed in the structure;

''(C) fluidized bed combustion wastes;

''(D) wastes from the co-burning of coal with non-hazardous secondary materials, provided that coal makes up at least 50 percent of the total fuel burned; and

''(E) wastes from the co-burning of coal with materials described in subparagraph (A) that are recovered from monofills.

''(2) COAL COMBUSTION RESIDUALS PERMIT PROGRAM.—The term 'coal combustion residuals permit program' means all of the authorities, activities, and procedures that comprise the system of prior approval and conditions implemented by or for a State to regulate the management and disposal of coal combustion residuals.

''(3) CODE OF FEDERAL REGULATIONS.—The term 'Code of Federal Regulations' means the Code of Federal Regulations (as in effect on the date of enactment of this section) or any successor regulations.

''(4) IMPLEMENTING AGENCY.—The term 'implementing agency' means the agency responsible for implementing a coal combustion residuals permit program for a State, which shall either be the lead State implementing agency identified under subsection (b)(2)(B)(i) or the Administrator pursuant to subsection (e).

''(5) PERMIT; PRIOR APPROVAL AND CONDITIONS.—Except as provided in subsections (b)(3) and (g), the terms 'permit' and 'prior approval and

conditions' mean any authorization, license, or equivalent control document that incorporates the requirements of subsection (c).

''(6) REVISED CRITERIA.—The term 'revised criteria' means the criteria promulgated for municipal solid waste landfill units under section 4004(a) and under section 1008(a)(3), as revised under section 4010(c).

''(7) STRUCTURE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'structure' means a landfill, surface impoundment, or other land-based unit which receives, or is intended to receive, coal combustion residuals.

''(B) DE MINIMIS RECEIPT.—The term 'structure' does not include any land-based unit that receives only de minimis quantities of coal combustion residuals if the presence of coal combustion residuals is incidental to the material managed in the unit.''.

(b) CONFORMING AMENDMENT.—The table of contents contained in section 1001 of the Solid Waste Disposal Act is amended by inserting after the item relating to section 4010 the following:

''Sec. 4011. Management and disposal of coal combustion residuals.''.

SEC. 2402. 2000 REGULATORY DETERMINATION.

Nothing in this subtitle, or the amendments made by this subtitle, shall be construed to alter in any manner the Environmental Protection Agency's regulatory determination entitled ''Notice of Regulatory Determination on Wastes From the Combustion of Fossil Fuels'', published at 65 Fed. Reg. 32214 (May 22, 2000), that the fossil fuel combustion wastes addressed in that determination do not warrant regulation under subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.).

SEC. 2403. TECHNICAL ASSISTANCE.

Nothing in this subtitle, or the amendments made by this subtitle, shall be construed to affect the authority of a State to request, or the Administrator of the Environmental Protection Agency to provide, technical assistance under the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

SEC. 2404. FEDERAL POWER ACT.

Nothing in this subtitle, or the amendments made by this subtitle, shall be construed to affect the obligations of an owner or operator of a structure (as defined in section 4011 of the Solid Waste Disposal Act, as added by this subtitle) under section 215(b)(1) of the Federal Power Act (16 U.S.C. 824o(b)(1)).

TITLE III—REDUCING FRIVOLOUS LEGAL COSTS

Subtitle A—Lawsuit Abuse Reduction Act

SEC. 3101. ATTORNEY ACCOUNTABILITY.

(a) SANCTIONS UNDER RULE 11.—Rule 11(c) of the Federal Rules of Civil Procedure is amended—

(1) in paragraph (1), by striking ''may'' and inserting ''shall'';

(2) in paragraph (2), by striking ''Rule 5'' and all that follows through ''motion.'' and inserting ''Rule 5.''; and

(3) in paragraph (4), by striking ''situated'' and all that follows through the end of the paragraph and inserting ''situated, and to compensate the parties that were injured by such conduct. Subject to the limitations in paragraph (5), the sanction shall consist of an order to pay to the party or parties the amount of the reasonable expenses incurred as a direct result of the violation, including reasonable attorneys' fees and costs. The court may also impose additional appropriate sanctions, such as striking the pleadings, dismissing the suit, or other directives of a nonmonetary nature, or, if warranted

for effective deterrence, an order directing payment of a penalty into the court.''.

(b) RULE OF CONSTRUCTION.—Nothing in this subtitle or an amendment made by this subtitle shall be construed to bar or impede the assertion or development of new claims, defenses, or remedies under Federal, State, or local laws, including civil rights laws, or under the Constitution of the United States.

Subtitle B—Furthering Asbestos Claim Transparency in Bankruptcy

SEC. 3201. AMENDMENTS.

Section 524(g) of title 11, United States Code, is amended by adding at the end the following:

''(8) A trust described in paragraph (2) shall, subject to section 107—

''(A) file with the bankruptcy court, not later than 60 days after the end of every quarter, a report that shall be made available on the court's public docket and with respect to such quarter—

''(i) describes each demand the trust received from, including the name and exposure history of, a claimant and the basis for any payment from the trust made to such claimant; and

''(ii) does not include any confidential medical record or the claimant's full social security number; and

''(B) upon written request, and subject to payment (demanded at the option of the trust) for any reasonable cost incurred by the trust to comply with such request, provide in a timely manner any information related to payment from, and demands for payment from, such trust, subject to appropriate protective orders, to any party to any action in law or equity if the subject of such action concerns liability for asbestos exposure.''.

SEC. 3202. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this subtitle and the amendments made by this subtitle shall take effect on the date of the enactment of this subtitle.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this subtitle shall apply with respect to cases commenced under title 11 of the United States Code before, on, or after the date of the enactment of this subtitle.

Subtitle C—Innovation Act

SEC. 3301. DEFINITIONS.

In this subtitle:

(1) DIRECTOR.—The term ''Director'' means the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

(2) OFFICE.—The term ''Office'' means the United States Patent and Trademark Office.

SEC. 3302. PATENT INFRINGEMENT ACTIONS.

(a) PLEADING REQUIREMENTS.—

(1) AMENDMENT.—Chapter 29 of title 35, United States Code, is amended by inserting after section 281 the following:

''§ 281A. Pleading requirements for patent infringement actions

''(a) PLEADING REQUIREMENTS.—Except as provided in subsection (b), in a civil action in which a party asserts a claim for relief arising under any Act of Congress relating to patents, a party alleging infringement shall include in the initial complaint, counterclaim, or cross-claim for patent infringement, unless the information is not reasonably accessible to such party, the following:

''(1) An identification of each patent allegedly infringed.

''(2) An identification of each claim of each patent identified under paragraph (1) that is allegedly infringed.

''(3) For each claim identified under paragraph (2), an identification of each accused process, machine, manufacture, or composition of matter (referred to in this section as an 'accused instrumentality') alleged to infringe the claim.

''(4) For each accused instrumentality identified under paragraph (3), an identification with particularity, if known, of—

''(A) the name or model number of each accused instrumentality; or

''(B) if there is no name or model number, a description of each accused instrumentality.

''(5) For each accused instrumentality identified under paragraph (3), a clear and concise statement of—

''(A) where each element of each claim identified under paragraph (2) is found within the accused instrumentality; and

''(B) with detailed specificity, how each limitation of each claim identified under para-

graph (2) is met by the accused instrumentality.

''(6) For each claim of indirect infringement, a description of the acts of the alleged indirect infringer that contribute to or are inducing the direct infringement.

''(7) A description of the authority of the party alleging infringement to assert each patent identified under paragraph (1) and of the grounds for the court's jurisdiction.

''(8) A clear and concise description of the principal business, if any, of the party alleging infringement.

''(9) A list of each complaint filed, of which the party alleging infringement has knowledge, that asserts or asserted any of the patents identified under paragraph (1).

''(10) For each patent identified under paragraph (1), whether a standard-setting body has specifically declared such patent to be essential, potentially essential, or having potential to become essential to that standard-setting body, and whether the United States Government or a foreign government has imposed specific licensing requirements with respect to such patent.

''(b) INFORMATION NOT READILY ACCESSIBLE.—If information required to be disclosed under subsection (a) is not readily accessible to a party, that information may instead be generally described, along with an explanation of why such undisclosed information was not readily accessible, and of any efforts made by such party to access such information.

''(c) CONFIDENTIAL INFORMATION.—A party required to disclose information described under subsection (a) may file, under seal, information believed to be confidential, with a motion setting forth good cause for such sealing. If such motion is denied by the court, the party may seek to file an amended complaint.

''(d) EXEMPTION.—A civil action that includes a claim for relief arising under section 271(e)(2) shall not be subject to the requirements of subsection (a).''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 29 of title 35, United States Code, is amended by inserting after the item relating to section 281 the following new item:

''281A. Pleading requirements for patent infringement actions.''.

(b) FEES AND OTHER EXPENSES.—

(1) AMENDMENT.—Section 285 of title 35, United States Code, is amended to read as follows:

"§ 285. Fees and other expenses

''(a) AWARD.—The court shall award, to a prevailing party, reasonable fees and other expenses incurred by that party in connection with a civil action in which any party asserts a claim for relief arising under any Act of Congress relating to patents, unless the court finds that the position and conduct of the nonprevailing party or parties were reasonably justified in law and fact or that special circumstances (such as severe economic hardship to a named inventor) make an award unjust.

''(b) CERTIFICATION AND RECOVERY.—Upon motion of any party to the action, the court shall require another party to the action to certify whether or not the other party will be able to pay an award of fees and other expenses if such an award is made under subsection (a). If a nonprevailing party is unable to pay an award that is made against it under subsection (a), the court may make a party that has been joined under section 299(d) with respect to such party liable for the unsatisfied portion of the award.

''(c) COVENANT NOT TO SUE.—A party to a civil action that asserts a claim for relief arising under any Act of Congress relating to patents against another party, and that subsequently unilaterally extends to such other party a covenant not to sue for infringement with respect to the patent or patents at issue, shall be deemed to be a nonpre-

vailing party (and the other party the prevailing party) for purposes of this section, unless the party asserting such claim would have been entitled, at the time that such covenant was extended, to voluntarily dismiss the action or claim without a court order under Rule 41 of the Federal Rules of Civil Procedure.''.

(2) CONFORMING AMENDMENT AND AMENDMENT.—

(A) CONFORMING AMENDMENT.—The item relating to section 285 of the table of sections for chapter 29 of title 35, United States Code, is amended to read as follows:

''285. Fees and other expenses.''.

(B) AMENDMENT.—Section 273 of title 35, United States Code, is amended by striking subsections (f) and (g).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act and shall apply to any action for which a complaint is filed on or after the first day of the 6-month period ending on that effective date.

(c) JOINDER OF INTERESTED PARTIES.—Section 299 of title 35, United States Code, is amended by adding at the end the following new subsection:

''(d) JOINDER OF INTERESTED PARTIES.—

''(1) JOINDER.—In a civil action arising under any Act of Congress relating to patents in which fees and other expenses have been awarded under section 285 to a prevailing party defending against an allegation of infringement of a patent claim, and in which the nonprevailing party alleging infringement is unable to pay the award of fees and other expenses, the court shall grant a motion by the prevailing party to join an interested party if such prevailing party shows that the nonprevailing party has no substantial interest in the subject matter at issue other than asserting such patent claim in litigation.

''(2) LIMITATION ON JOINDER.—

''(A) DISCRETIONARY DENIAL OF MOTION.—The court may deny a motion to join an interested party under paragraph (1) if—

''(i) the interested party is not subject to service of process; or

''(ii) joinder under paragraph (1) would deprive the court of subject matter jurisdiction or make venue improper.

''(B) REQUIRED DENIAL OF MOTION.—The court shall deny a motion to join an interested party under paragraph (1) if—

''(i) the interested party did not timely receive the notice required by paragraph (3); or

''(ii) within 30 days after receiving the notice required by paragraph (3), the interested party renounces, in writing and with notice to the court and the parties to the action, any ownership, right, or direct financial interest (as described in paragraph (4)) that the interested party has in the patent or patents at issue.

''(3) NOTICE REQUIREMENT.—An interested party may not be joined under paragraph (1) unless it has been provided actual notice, within 30 days after the date on which it has been identified in the initial disclosure provided under section 290(b), that it has been so identified and that such party may therefore be an interested party subject to joinder under this subsection. Such notice shall be provided by the party who subsequently moves to join the interested party under paragraph (1), and shall include language that—

''(A) identifies the action, the parties thereto, the patent or patents at issue, and the

pleading or other paper that identified the party under section 290(b); and

"(B) informs the party that it may be joined in the action and made subject to paying an award of fees and other expenses under section 285(b) if—

"(i) fees and other expenses are awarded in the action against the party alleging infringement of the patent or patents at issue under section 285(a);

"(ii) the party alleging infringement is unable to pay the award of fees and other expenses;

"(iii) the party receiving notice under this paragraph is determined by the court to be an interested party; and

"(iv) the party receiving notice under this paragraph has not, within 30 days after receiving such notice, renounced in writing, and with notice to the court and the parties to the action, any ownership, right, or direct financial interest (as described in paragraph (4)) that the interested party has in the patent or patents at issue.

"(4) INTERESTED PARTY DEFINED.—In this subsection, the term 'interested party' means a person, other than the party alleging infringement, that—

"(A) is an assignee of the patent or patents at issue;

"(B) has a right, including a contingent right, to enforce or sublicense the patent or patents at issue; or

"(C) has a direct financial interest in the patent or patents at issue, including the right to any part of an award of damages or any part of licensing revenue, except that a person with a direct financial interest does not include—

"(i) an attorney or law firm providing legal representation in the civil action described in paragraph (1) if the sole basis for the financial interest of the attorney or law firm in the patent or patents at issue arises from the attorney or law firm's receipt of compensation reasonably related to the provision of the legal representation; or

"(ii) a person whose sole financial interest in the patent or patents at issue is ownership of an equity interest in the

party alleging infringement, unless such person also has the right or ability to influence, direct, or control the civil action.''.

(d) DISCOVERY LIMITS.—

(1) AMENDMENT.—Chapter 29 of title 35, United States Code, is amended by adding at the end the following new section:

''§ 299A. Discovery in patent infringement action

''(a) DISCOVERY IN PATENT INFRINGEMENT ACTION.—Except as provided in subsections (b) and (c), in a civil action arising under any Act of Congress relating to patents, if the court determines that a ruling relating to the construction of terms used in a patent claim asserted in the complaint is required, discovery shall be limited, until such ruling is issued, to information necessary for the court to determine the meaning of the terms used in the patent claim, including any interpretation of those terms used to support the claim of infringement.

''(b) DISCRETION TO EXPAND SCOPE OF DISCOVERY.—

''(1) TIMELY RESOLUTION OF ACTIONS.—In the case of an action under any provision of Federal law (including an action that includes a claim for relief arising under section 271(e)), for which resolution within a specified period of time of a civil action

arising under any Act of Congress relating to patents will necessarily affect the rights of a party with respect to the patent, the court shall permit discovery, in addition to the discovery authorized under subsection (a), before the ruling described in subsection (a) is issued as necessary to ensure timely resolution of the action.

''(2) RESOLUTION OF MOTIONS.—When necessary to resolve a motion properly raised by a party before a ruling relating to the construction of terms described in subsection (a) is issued, the court may allow limited discovery in addition to the discovery authorized under subsection (a) as necessary to resolve the motion.

''(3) SPECIAL CIRCUMSTANCES.—In special circumstances that would make denial of discovery a manifest injustice, the court may permit discovery, in addition to the discovery authorized under subsection (a), as necessary to prevent the manifest injustice.

''(4) ACTIONS SEEKING RELIEF BASED ON COMPETITIVE HARM.—The limitation on discovery provided under subsection (a) shall not apply to an action seeking a preliminary injunction to redress harm arising from the use, sale, or offer for sale of

any allegedly infringing instrumentality that competes with a product sold or offered for sale, or a process used in manufacture, by a party alleging infringement.

''(c) EXCLUSION FROM DISCOVERY LIMITATION.—The parties may voluntarily consent to be excluded, in whole or in part, from the limitation on discovery provided under subsection (a) if at least one plaintiff and one defendant enter into a signed stipulation, to be filed with and signed by the court. With regard to any discovery excluded from the requirements of subsection (a) under the signed stipulation, with respect to such parties, such discovery shall proceed according to the Federal Rules of Civil Procedure.''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 29 of title 35, United States Code, is amended by adding at the end the following new item:

''299A. Discovery in patent infringement action.''.

(e) SENSE OF CONGRESS.—It is the sense of Congress that it is an abuse of the patent system and against public policy for a party to send out purposely evasive demand letters to end users alleging patent infringement. Demand letters sent should, at the least, include basic information about the patent in question, what is being infringed, and how it is being infringed. Any actions or liti-

gation that stem from these types of purposely evasive demand letters to end users should be considered a fraudulent or deceptive practice and an exceptional circumstance when considering whether the litigation is abusive.

(f) DEMAND LETTERS.—Section 284 of title 35, United States Code, is amended—

(1) in the first undesignated paragraph, by striking ''Upon finding'' and inserting ''(a) IN GENERAL.—Upon finding'';

(2) in the second undesignated paragraph, by striking ''When the damages'' and inserting ''(b) ASSESSMENT BY COURT; TREBLE DAMAGES.—When the damages'';

(3) by inserting after subsection (b), as designated by paragraph (2) of this subsection, the following:

''(c) WILLFUL INFRINGEMENT.—A claimant seeking to establish willful infringement may not rely on evidence of pre-suit notification of infringement unless that notification identifies with particularity the asserted patent, identifies the product or process accused, identifies the ultimate parent entity of the claimant, and explains with particularity, to the extent possible following a reasonable investigation or inquiry, how the product or process infringes one or more claims of the patent.''; and

(4) in the last undesignated paragraph, by striking ''The court'' and inserting ''(d) EXPERT TESTIMONY.—The court''.

(g) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to any action for which a complaint is filed on or after that date.

SEC. 3303. TRANSPARENCY OF PATENT OWNERSHIP.

(a) AMENDMENTS.—Section 290 of title 35, United States Code, is amended—

(1) in the heading, by striking ''**suits**'' and inserting ''**suits; disclosure of interests**'';

(2) by striking ''The clerks'' and inserting ''(a) NOTICE OF PATENT SUITS.—The clerks''; and

(3) by adding at the end the following new subsections:

''(b) INITIAL DISCLOSURE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), upon the filing of an initial complaint for patent infringement, the plaintiff shall disclose to the Patent and Trademark Office, the court, and each adverse party the identity of each of the following:

''(A) The assignee of the patent or patents at issue.

''(B) Any entity with a right to sublicense or enforce the patent or patents at issue.

''(C) Any entity, other than the plaintiff, that the plaintiff knows to have a financial interest in the patent or patents at issue or the plaintiff.

''(D) The ultimate parent entity of any assignee identified under subparagraph (A) and any entity identified under subparagraph (B) or (C).

''(2) EXEMPTION.—The requirements of paragraph (1) shall not apply with respect to a civil action filed under subsection (a) that includes a cause of action described under section 271(e)(2).

''(c) DISCLOSURE COMPLIANCE.—

''(1) PUBLICLY TRADED.—For purposes of subsection (b)(1)(C), if the financial interest is held by a corporation traded on a public stock exchange, an identification of the name of the corporation and the public exchange listing shall satisfy the disclosure requirement.

''(2) NOT PUBLICLY TRADED.—For purposes of subsection (b)(1)(C), if the financial interest is not

held by a publicly traded corporation, the disclosure shall satisfy the disclosure requirement if the information identifies—

"(A) in the case of a partnership, the name of the partnership and the name and correspondence address of each partner or other entity that holds more than a 5-percent share of that partnership;

"(B) in the case of a corporation, the name of the corporation, the location of incorporation, the address of the principal place of business, and the name of each officer of the corporation; and

"(C) for each individual, the name and correspondence address of that individual.

"(d) ONGOING DUTY OF DISCLOSURE TO THE PATENT AND TRADEMARK OFFICE.—

"(1) IN GENERAL.—A plaintiff required to submit information under subsection (b) or a subsequent owner of the patent or patents at issue shall, not later than 90 days after any change in the assignee of the patent or patents at issue or an entity described under subparagraph (B) or (D) of subsection (b)(1), submit to the Patent and Trademark

Office the updated identification of such assignee or entity.

''(2) FAILURE TO COMPLY.—With respect to a patent for which the requirement of paragraph (1) has not been met—

''(A) the plaintiff or subsequent owner shall not be entitled to recover reasonable fees and other expenses under section 285 or increased damages under section 284 with respect to infringing activities taking place during any period of noncompliance with paragraph (1), unless the denial of such damages or fees would be manifestly unjust; and

''(B) the court shall award to a prevailing party accused of infringement reasonable fees and other expenses under section 285 that are incurred to discover the updated assignee or entity described under paragraph (1), unless such sanctions would be unjust.

''(e) DEFINITIONS.—In this section:

''(1) FINANCIAL INTEREST.—The term 'financial interest'—

''(A) means—

''(i) with regard to a patent or patents, the right of a person to receive pro-

ceeds related to the assertion of the patent or patents, including a fixed or variable portion of such proceeds; and

''(ii) with regard to the plaintiff, direct or indirect ownership or control by a person of more than 5 percent of such plaintiff; and

''(B) does not mean—

''(i) ownership of shares or other interests in a mutual or common investment fund, unless the owner of such interest participates in the management of such fund; or

''(ii) the proprietary interest of a policyholder in a mutual insurance company or of a depositor in a mutual savings association, or a similar proprietary interest, unless the outcome of the proceeding could substantially affect the value of such interest.

''(2) PROCEEDING.—The term 'proceeding' means all stages of a civil action, including pretrial and trial proceedings and appellate review.

''(3) ULTIMATE PARENT ENTITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'ultimate parent entity' has the meaning given such term in section 801.1(a)(3) of title 16, Code of Federal Regulations, or any successor regulation.

"(B) MODIFICATION OF DEFINITION.—The Director may modify the definition of 'ultimate parent entity' by regulation.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The item relating to section 290 in the table of sections for chapter 29 of title 35, United States Code, is amended to read as follows:

"290. Notice of patent suits; disclosure of interests.".

(c) REGULATIONS.—The Director may promulgate such regulations as are necessary to establish a registration fee in an amount sufficient to recover the estimated costs of administering subsections (b) through (e) of section 290 of title 35, United States Code, as added by subsection (a), to facilitate the collection and maintenance of the information required by such subsections, and to ensure the timely disclosure of such information to the public.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect upon the expiration of the 6-month period beginning on the date of the enactment

of this Act and shall apply to any action for which a complaint is filed on or after such effective date.

SEC. 3304. CUSTOMER-SUIT EXCEPTION.

(a) AMENDMENT.—Section 296 of title 35, United States Code, is amended to read as follows:

"§ 296. Stay of action against customer

''(a) STAY OF ACTION AGAINST CUSTOMER.—Except as provided in subsection (d), in any civil action arising under any Act of Congress relating to patents, the court shall grant a motion to stay at least the portion of the action against a covered customer related to infringement of a patent involving a covered product or process if the following requirements are met:

''(1) The covered manufacturer and the covered customer consent in writing to the stay.

''(2) The covered manufacturer is a party to the action or to a separate action involving the same patent or patents related to the same covered product or process.

''(3) The covered customer agrees to be bound by any issues that the covered customer has in common with the covered manufacturer and are finally decided as to the covered manufacturer in an action described in paragraph (2).

''(4) The motion is filed after the first pleading in the action but not later than the later of—

''(A) the 120th day after the date on which the first pleading in the action is served that specifically identifies the covered product or process as a basis for the covered customer's alleged infringement of the patent and that specifically identifies how the covered product or process is alleged to infringe the patent; or

''(B) the date on which the first scheduling order in the case is entered.

''(b) APPLICABILITY OF STAY.—A stay issued under subsection (a) shall apply only to the patents, products, systems, or components accused of infringement in the action.

''(c) LIFT OF STAY.—

''(1) IN GENERAL.—A stay entered under this section may be lifted upon grant of a motion based on a showing that—

''(A) the action involving the covered manufacturer will not resolve a major issue in suit against the covered customer; or

''(B) the stay unreasonably prejudices and would be manifestly unjust to the party seeking to lift the stay.

''(2) SEPARATE MANUFACTURER ACTION INVOLVED.—In the case of a stay entered based on the participation of the covered manufacturer in a separate action involving the same patent or patents related to the same covered product or process, a motion under this subsection may only be made if the court in such separate action determines the showing required under paragraph (1) has been met.

''(d) EXEMPTION.—This section shall not apply to an action that includes a cause of action described under section 271(e)(2).

''(e) CONSENT JUDGMENT.—If, following the grant of a motion to stay under this section, the covered manufacturer seeks or consents to entry of a consent judgment relating to one or more of the common issues that gave rise to the stay, or declines to prosecute through appeal a final decision as to one or more of the common issues that gave rise to the stay, the court may, upon grant of a motion, determine that such consent judgment or unappealed final decision shall not be binding on the covered customer with respect to one or more of such common issues based on a showing that such an outcome would unreasonably prejudice and be manifestly unjust to the covered customer in light of the circumstances of the case.

''(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the ability of a court to grant any stay, expand any stay granted under this section, or grant any motion to intervene, if otherwise permitted by law.

''(g) DEFINITIONS.—In this section:

''(1) COVERED CUSTOMER.—The term 'covered customer' means a party accused of infringing a patent or patents in dispute based on a covered product or process.

''(2) COVERED MANUFACTURER.—The term 'covered manufacturer' means a person that manufactures or supplies, or causes the manufacture or supply of, a covered product or process or a relevant part thereof.

''(3) COVERED PRODUCT OR PROCESS.—The term 'covered product or process' means a product, process, system, service, component, material, or apparatus, or relevant part thereof, that—

''(A) is alleged to infringe the patent or patents in dispute; or

''(B) implements a process alleged to infringe the patent or patents in dispute.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 29 of title 35, United States Code, is

amended by striking the item relating to section 296 and inserting the following:

"296. Stay of action against customer.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to any action for which a complaint is filed on or after the first day of the 30-day period that ends on that date.

SEC. 3305. PROCEDURES AND PRACTICES TO IMPLEMENT RECOMMENDATIONS OF THE JUDICIAL CONFERENCE.

(a) JUDICIAL CONFERENCE RULES AND PROCEDURES ON DISCOVERY BURDENS AND COSTS.—

(1) RULES AND PROCEDURES.—The Judicial Conference of the United States, using existing resources, shall develop rules and procedures to implement the issues and proposals described in paragraph (2) to address the asymmetries in discovery burdens and costs in any civil action arising under any Act of Congress relating to patents. Such rules and procedures shall include how and when payment for document discovery in addition to the discovery of core documentary evidence is to occur, and what information must be presented to demonstrate financial capacity before permitting document discovery

in addition to the discovery of core documentary evidence.

(2) RULES AND PROCEDURES TO BE CONSIDERED.—The rules and procedures required under paragraph (1) should address each of the following issues and proposals:

(A) DISCOVERY OF CORE DOCUMENTARY EVIDENCE.—Whether and to what extent each party to the action is entitled to receive core documentary evidence and shall be responsible for the costs of producing core documentary evidence within the possession or control of each such party, and whether and to what extent each party to the action may seek non-documentary discovery as otherwise provided in the Federal Rules of Civil Procedure.

(B) ELECTRONIC COMMUNICATION.—If the parties determine that the discovery of electronic communication is appropriate, whether such discovery shall occur after the parties have exchanged initial disclosures and core documentary evidence and whether such discovery shall be in accordance with the following:

(i) Any request for the production of electronic communication shall be specific

and may not be a general request for the production of information relating to a product or business.

(ii) Each request shall identify the custodian of the information requested, the search terms, and a timeframe. The parties shall cooperate to identify the proper custodians, the proper search terms, and the proper timeframe.

(iii) A party may not submit production requests to more than 5 custodians, unless the parties jointly agree to modify the number of production requests without leave of the court.

(iv) The court may consider contested requests for up to 5 additional custodians per producing party, upon a showing of a distinct need based on the size, complexity, and issues of the case.

(v) If a party requests the discovery of electronic communication for additional custodians beyond the limits agreed to by the parties or granted by the court, the requesting party shall bear all reasonable costs caused by such additional discovery.

(C) ADDITIONAL DOCUMENT DISCOVERY.—Whether the following should apply:

(i) IN GENERAL.—Each party to the action may seek any additional document discovery otherwise permitted under the Federal Rules of Civil Procedure, if such party bears the reasonable costs, including reasonable attorney's fees, of the additional document discovery.

(ii) REQUIREMENTS FOR ADDITIONAL DOCUMENT DISCOVERY.—Unless the parties mutually agree otherwise, no party may be permitted additional document discovery unless such a party posts a bond, or provides other security, in an amount sufficient to cover the expected costs of such additional document discovery, or makes a showing to the court that such party has the financial capacity to pay the costs of such additional document discovery.

(iii) LIMITS ON ADDITIONAL DOCUMENT DISCOVERY.—A court, upon motion, may determine that a request for additional document discovery is excessive, irrelevant, or otherwise abusive and may set

limits on such additional document discovery.

(iv) GOOD CAUSE MODIFICATION.—A court, upon motion and for good cause shown, may modify the requirements of subparagraphs (A) and (B) and any definition under paragraph (3). Not later than 30 days after the pretrial conference under Rule 16 of the Federal Rules of Civil Procedure, the parties shall jointly submit any proposed modifications of the requirements of subparagraphs (A) and (B) and any definition under paragraph (3), unless the parties do not agree, in which case each party shall submit any proposed modification of such party and a summary of the disagreement over the modification.

(v) COMPUTER CODE.—A court, upon motion and for good cause shown, may determine that computer code should be included in the discovery of core documentary evidence. The discovery of computer code shall occur after the parties have exchanged initial disclosures and other core documentary evidence.

(D) DISCOVERY SEQUENCE AND SCOPE.—Whether the parties shall discuss and address in the written report filed pursuant to Rule 26(f) of the Federal Rules of Civil Procedure the views and proposals of each party on the following:

(i) When the discovery of core documentary evidence should be completed.

(ii) Whether additional document discovery will be sought under subparagraph (C).

(iii) Any issues about infringement, invalidity, or damages that, if resolved before the additional discovery described in subparagraph (C) commences, might simplify or streamline the case, including the identification of any terms or phrases relating to any patent claim at issue to be construed by the court and whether the early construction of any of those terms or phrases would be helpful.

(3) DEFINITIONS.—In this subsection:

(A) CORE DOCUMENTARY EVIDENCE.—The term ''core documentary evidence''—

(i) includes—

(I) documents relating to the conception of, reduction to practice of, and application for, the patent or patents at issue;

(II) documents sufficient to show the technical operation of the product or process identified in the complaint as infringing the patent or patents at issue;

(III) documents relating to potentially invalidating prior art;

(IV) documents relating to any licensing of, or other transfer of rights to, the patent or patents at issue before the date on which the complaint is filed;

(V) documents sufficient to show profit attributable to the claimed invention of the patent or patents at issue;

(VI) documents relating to any knowledge by the accused infringer of the patent or patents at issue before the date on which the complaint is filed;

(VII) documents relating to any knowledge by the patentee of infringement of the patent or patents at issue before the date on which the complaint is filed;

(VIII) documents relating to any licensing term or pricing commitment to which the patent or patents may be subject through any agency or standard-setting body; and

(IX) documents sufficient to show any marking or other notice provided of the patent or patents at issue; and

(ii) does not include computer code, except as specified in paragraph (2)(C)(v).

(B) ELECTRONIC COMMUNICATION.—The term ''electronic communication'' means any form of electronic communication, including email, text message, or instant message.

(4) IMPLEMENTATION BY THE DISTRICT COURTS.—Not later than 6 months after the date on which the Judicial Conference has developed the rules and procedures required by this subsection, each United States district court and the United

States Court of Federal Claims shall revise the applicable local rules for such court to implement such rules and procedures.

(5) AUTHORITY FOR JUDICIAL CONFERENCE TO REVIEW AND MODIFY.—

(A) STUDY OF EFFICACY OF RULES AND PROCEDURES.—The Judicial Conference shall study the efficacy of the rules and procedures required by this subsection during the 4-year period beginning on the date on which such rules and procedures by the district courts and the United States Court of Federal Claims are first implemented. The Judicial Conference may modify such rules and procedures following such 4-year period.

(B) INITIAL MODIFICATIONS.—Before the expiration of the 4-year period described in subparagraph (A), the Judicial Conference may modify the requirements under this subsection—

(i) by designating categories of ''core documentary evidence'', in addition to those designated under paragraph (3)(A), as the Judicial Conference determines to be appropriate and necessary; and

(ii) as otherwise necessary to prevent a manifest injustice, the imposition of a requirement the costs of which clearly outweigh its benefits, or a result that could not reasonably have been intended by the Congress.

(b) JUDICIAL CONFERENCE PATENT CASE MANAGEMENT.—The Judicial Conference of the United States, using existing resources, shall develop case management procedures to be implemented by the United States district courts and the United States Court of Federal Claims for any civil action arising under any Act of Congress relating to patents, including initial disclosure and early case management conference practices that—

(1) will identify any potential dispositive issues of the case; and

(2) focus on early summary judgment motions when resolution of issues may lead to expedited disposition of the case.

(c) REVISION OF FORM FOR PATENT INFRINGEMENT.—

(1) ELIMINATION OF FORM.—The Supreme Court, using existing resources, shall eliminate Form 18 in the Appendix to the Federal Rules of Civil Procedure (relating to Complaint for Patent In-

fringement), effective on the date of the enactment of this Act.

(2) REVISED FORM.—The Supreme Court may prescribe a new form or forms setting out model allegations of patent infringement that, at a minimum, notify accused infringers of the asserted claim or claims, the products or services accused of infringement, and the plaintiff's theory for how each accused product or service meets each limitation of each asserted claim. The Judicial Conference should exercise the authority under section 2073 of title 28, United States Code, to make recommendations with respect to such new form or forms.

(d) PROTECTION OF INTELLECTUAL-PROPERTY LICENSES IN BANKRUPTCY.—

(1) IN GENERAL.—Section 1522 of title 11, United States Code, is amended by adding at the end the following:

''(e) Section 365(n) shall apply to cases under this chapter. If the foreign representative rejects or repudiates a contract under which the debtor is a licensor of intellectual property, the licensee under such contract shall be entitled to make the election and exercise the rights described in section 365(n).''.

(2) TRADEMARKS.—

(A) IN GENERAL.—Section 101(35A) of title 11, United States Code, is amended—

(i) in subparagraph (E), by striking ''or'';

(ii) in subparagraph (F), by striking ''title 17;'' and inserting ''title 17; or''; and

(iii) by adding after subparagraph (F) the following new subparagraph:

''(G) a trademark, service mark, or trade name, as those terms are defined in section 45 of the Act of July 5, 1946 (commonly referred to as the 'Trademark Act of 1946') (15 U.S.C. 1127);''.

(B) CONFORMING AMENDMENT.—Section 365(n)(2) of title 11, United States Code, is amended—

(i) in subparagraph (B)—

(I) by striking ''royalty payments'' and inserting ''royalty or other payments''; and

(II) by striking ''and'' after the semicolon;

(ii) in subparagraph (C), by striking the period at the end of clause (ii) and inserting ''; and''; and

(iii) by adding at the end the following new subparagraph:

''(D) in the case of a trademark, service mark, or trade name, the trustee shall not be relieved of a contractual obligation to monitor and control the quality of a licensed product or service.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act and shall apply to any case that is pending on, or for which a petition or complaint is filed on or after, such date of enactment.

SEC. 3306. SMALL BUSINESS EDUCATION, OUTREACH, AND INFORMATION ACCESS.

(a) SMALL BUSINESS EDUCATION AND OUTREACH.—

(1) RESOURCES FOR SMALL BUSINESS.—Using existing resources, the Director shall develop educational resources for small businesses to address concerns arising from patent infringement.

(2) SMALL BUSINESS PATENT OUTREACH.—The existing small business patent outreach programs of the Office, and the relevant offices at the Small Business Administration and the Minority Business Development Agency, shall provide education and awareness on abusive patent litigation practices. The

Director may give special consideration to the unique needs of small firms owned by disabled veterans, service-disabled veterans, women, and minority entrepreneurs in planning and executing the outreach efforts by the Office.

(b) IMPROVING INFORMATION TRANSPARENCY FOR SMALL BUSINESS AND THE UNITED STATES PATENT AND TRADEMARK OFFICE USERS.—

(1) WEB SITE.—Using existing resources, the Director shall create a user-friendly section on the official Web site of the Office to notify the public when a patent case is brought in Federal court and, with respect to each patent at issue in such case, the Director shall include—

(A) information disclosed under subsections (b) and (d) of section 290 of title 35, United States Code, as added by section 3303 of this subtitle; and

(B) any other information the Director determines to be relevant.

(2) FORMAT.—In order to promote accessibility for the public, the information described in paragraph (1) shall be searchable by patent number, patent art area, and entity.

SEC. 3307. STUDIES ON PATENT TRANSACTIONS, QUALITY, AND EXAMINATION.

(a) STUDY ON SECONDARY MARKET OVERSIGHT FOR PATENT TRANSACTIONS TO PROMOTE TRANSPARENCY AND ETHICAL BUSINESS PRACTICES.—

(1) STUDY REQUIRED.—The Director, in consultation with the Secretary of Commerce, the Secretary of the Treasury, the Chairman of the Securities and Exchange Commission, the heads of other relevant agencies, and interested parties, shall, using existing resources of the Office, conduct a study—

(A) to develop legislative recommendations to ensure greater transparency and accountability in patent transactions occurring on the secondary market;

(B) to examine the economic impact that the patent secondary market has on the United States;

(C) to examine licensing and other oversight requirements that may be placed on the patent secondary market, including on the participants in such markets, to ensure that the market is a level playing field and that brokers in the market have the requisite expertise and adhere to ethical business practices; and

(D) to examine the requirements placed on other markets.

(2) REPORT ON STUDY.—Not later than 18 months after the date of the enactment of this Act, the Director shall submit a report to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate on the findings and recommendations of the Director from the study required under paragraph (1).

(b) STUDY ON PATENTS OWNED BY THE UNITED STATES GOVERNMENT.—

(1) STUDY REQUIRED.—The Director, in consultation with the heads of relevant agencies and interested parties, shall, using existing resources of the Office, conduct a study on patents owned by the United States Government that—

(A) examines how such patents are licensed and sold, and any litigation relating to the licensing or sale of such patents;

(B) provides legislative and administrative recommendations on whether there should be restrictions placed on patents acquired from the United States Government;

(C) examines whether or not each relevant agency maintains adequate records on the pat-

ents owned by such agency, specifically whether such agency addresses licensing, assignment, and Government grants for technology related to such patents; and

(D) provides recommendations to ensure that each relevant agency has an adequate point of contact that is responsible for managing the patent portfolio of the agency.

(2) REPORT ON STUDY.—Not later than 1 year after the date of the enactment of this Act, the Director shall submit to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a report on the findings and recommendations of the Director from the study required under paragraph (1).

(c) STUDY ON PATENT QUALITY AND ACCESS TO THE BEST INFORMATION DURING EXAMINATION.—

(1) GAO STUDY.—The Comptroller General of the United States shall, using existing resources, conduct a study on patent examination at the Office and the technologies available to improve examination and improve patent quality.

(2) CONTENTS OF THE STUDY.—The study required under paragraph (1) shall include the following:

(A) An examination of patent quality at the Office.

(B) An examination of ways to improve patent quality, specifically through technology, that shall include examining best practices at foreign patent offices and the use of existing off-the-shelf technologies to improve patent examination.

(C) A description of how patents are classified.

(D) An examination of procedures in place to prevent double patenting through filing by applicants in multiple art areas.

(E) An examination of the types of off-the-shelf prior art databases and search software used by foreign patent offices and governments, particularly in Europe and Asia, and whether those databases and search tools could be used by the Office to improve patent examination.

(F) An examination of any other areas the Comptroller General determines to be relevant.

(3) REPORT ON STUDY.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit to the Committee on the Judiciary of the House of Representatives

and the Committee on the Judiciary of the Senate a report on the findings and recommendations from the study required by this subsection, including recommendations for any changes to laws and regulations that will improve the examination of patent applications and patent quality.

(d) STUDY ON PATENT SMALL CLAIMS COURT.—

(1) STUDY REQUIRED.—

(A) IN GENERAL.—The Director of the Administrative Office of the United States Courts, in consultation with the Director of the Federal Judicial Center and the United States Patent and Trademark Office, shall, using existing resources, conduct a study to examine the idea of developing a pilot program for patent small claims procedures in certain judicial districts within the existing patent pilot program mandated by Public Law 111–349.

(B) CONTENTS OF STUDY.—The study under subparagraph (A) shall examine—

(i) the necessary criteria for using small claims procedures;

(ii) the costs that would be incurred for establishing, maintaining, and operating such a pilot program; and

(iii) the steps that would be taken to ensure that the procedures used in the pilot program are not misused for abusive patent litigation.

(2) REPORT ON STUDY.—Not later than 1 year after the date of the enactment of this Act, the Director of the Administrative Office of the United States Courts shall submit a report to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate on the findings and recommendations of the Director of the Administrative Office from the study required under paragraph (1).

(e) STUDY ON DEMAND LETTERS.—

(1) STUDY.—The Director, in consultation with the heads of other appropriate agencies, shall, using existing resources, conduct a study of the prevalence of the practice of sending patent demand letters in bad faith and the extent to which that practice may, through fraudulent or deceptive practices, impose a negative impact on the marketplace.

(2) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Director shall submit a report to the Committee on the Judiciary of the House of Representatives and

the Committee on the Judiciary of the Senate on the findings and recommendations of the Director from the study required under paragraph (1).

(3) PATENT DEMAND LETTER DEFINED.—In this subsection, the term ''patent demand letter'' means a written communication relating to a patent that states or indicates, directly or indirectly, that the recipient or anyone affiliated with the recipient is or may be infringing the patent.

(f) STUDY ON BUSINESS METHOD PATENT QUALITY.—

(1) GAO STUDY.—The Comptroller General of the United States shall, using existing resources, conduct a study on the volume and nature of litigation involving business method patents.

(2) CONTENTS OF STUDY.—The study required under paragraph (1) shall focus on examining the quality of business method patents asserted in suits alleging patent infringement, and may include an examination of any other areas that the Comptroller General determines to be relevant.

(3) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit to the Committee on the Judiciary of the House of Representatives

and the Committee on the Judiciary of the Senate a report on the findings and recommendations from the study required by this subsection, including recommendations for any changes to laws or regulations that the Comptroller General considers appropriate on the basis of the study.

(g) STUDY ON IMPACT OF LEGISLATION ON ABILITY OF INDIVIDUALS AND SMALL BUSINESSES TO PROTECT EXCLUSIVE RIGHTS TO INVENTIONS AND DISCOVERIES.—

(1) STUDY REQUIRED.—The Director, in consultation with the Secretary of Commerce, the Director of the Administrative Office of the United States Courts, the Director of the Federal Judicial Center, the heads of other relevant agencies, and interested parties, shall, using existing resources of the Office, conduct a study to examine the economic impact of sections 3, 4, and 5 of this Act, and any amendments made by such sections, on the ability of individuals and small businesses owned by women, veterans, and minorities to assert, secure, and vindicate the constitutionally guaranteed exclusive right to inventions and discoveries by such individuals and small business.

(2) REPORT ON STUDY.—Not later than 2 years after the date of the enactment of this Act, the Director shall submit to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a report on the findings and recommendations of the Director from the study required under paragraph (1).

SEC. 3308. IMPROVEMENTS AND TECHNICAL CORRECTIONS TO THE LEAHY-SMITH AMERICA INVENTS ACT.

(a) POST-GRANT REVIEW AMENDMENT.—Section 325(e)(2) of title 35, United States Code is amended by striking ''or reasonably could have raised''.

(b) USE OF DISTRICT COURT CLAIM CONSTRUCTION IN POST-GRANT AND INTER PARTES REVIEWS.—

(1) INTER PARTES REVIEW.—Section 316(a) of title 35, United States Code, is amended—

(A) in paragraph (12), by striking ''; and'' and inserting a semicolon;

(B) in paragraph (13), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(14) providing that for all purposes under this chapter—

''(A) each claim of a patent shall be construed as such claim would be in a civil action to invalidate a patent under section 282(b), including construing each claim of the patent in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent; and

''(B) if a court has previously construed the claim or a claim term in a civil action in which the patent owner was a party, the Office shall consider such claim construction.''.

(2) POST-GRANT REVIEW.—Section 326(a) of title 35, United States Code, is amended—

(A) in paragraph (11), by striking ''; and'' and inserting a semicolon;

(B) in paragraph (12), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(13) providing that for all purposes under this chapter—

''(A) each claim of a patent shall be construed as such claim would be in a civil action to invalidate a patent under section 282(b), in-

cluding construing each claim of the patent in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent; and

''(B) if a court has previously construed the claim or a claim term in a civil action in which the patent owner was a party, the Office shall consider such claim construction.''.

(3) TECHNICAL AND CONFORMING AMENDMENT.—Section 18(a)(1)(A) of the Leahy-Smith America Invents Act (Public Law 112–29; 126 Stat. 329; 35 U.S.C. 321 note) is amended by striking ''Section 321(c)'' and inserting ''Sections 321(c) and 326(a)(13)''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect upon the expiration of the 90-day period beginning on the date of the enactment of this Act, and shall apply to any proceeding under chapter 31 or 32 of title 35, United States Code, as the case may be, for which the petition for review is filed on or after such effective date.

(c) CODIFICATION OF THE DOUBLE-PATENTING DOCTRINE FOR FIRST-INVENTOR-TO-FILE PATENTS.—

(1) AMENDMENT.—Chapter 10 of title 35, United States Code, is amended by adding at the end the following new section:

"§ 106. Prior art in cases of double patenting

"A claimed invention of a patent issued under section 151 (referred to as the 'first patent') that is not prior art to a claimed invention of another patent (referred to as the 'second patent') shall be considered prior art to the claimed invention of the second patent for the purpose of determining the nonobviousness of the claimed invention of the second patent under section 103 if—

"(1) the claimed invention of the first patent was effectively filed under section 102(d) on or before the effective filing date of the claimed invention of the second patent;

"(2) either—

"(A) the first patent and second patent name the same individual or individuals as the inventor; or

"(B) the claimed invention of the first patent would constitute prior art to the claimed invention of the second patent under section 102(a)(2) if an exception under section 102(b)(2) were deemed to be inapplicable and the claimed invention of the first patent was, or

were deemed to be, effectively filed under section 102(d) before the effective filing date of the claimed invention of the second patent; and

''(3) the patentee of the second patent has not disclaimed the rights to enforce the second patent independently from, and beyond the statutory term of, the first patent.''.

(2) REGULATIONS.—The Director shall promulgate regulations setting forth the form and content of any disclaimer required for a patent to be issued in compliance with section 106 of title 35, United States Code, as added by paragraph (1). Such regulations shall apply to any disclaimer filed after a patent has issued. A disclaimer, when filed, shall be considered for the purpose of determining the validity of the patent under section 106 of title 35, United States Code.

(3) CONFORMING AMENDMENT.—The table of sections for chapter 10 of title 35, United States Code, is amended by adding at the end the following new item:

''106. Prior art in cases of double patenting.''.

(4) EXCLUSIVE RULE.—A patent subject to section 106 of title 35, United States Code, as added by paragraph (1), shall not be held invalid on any nonstatutory, double-patenting ground based on a

patent described in section 3(n)(1) of the Leahy-Smith America Invents Act (35 U.S.C. 100 note).

(5) EFFECTIVE DATE.—The amendments made by this subsection shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act and shall apply to a patent or patent application only if both the first and second patents described in section 106 of title 35, United States Code, as added by paragraph (1), are patents or patent applications that are described in section 3(n)(1) of the Leahy-Smith America Invents Act (35 U.S.C. 100 note).

(d) PTO PATENT REVIEWS.—

(1) CLARIFICATION.—

(A) SCOPE OF PRIOR ART.—Section 18(a)(1)(C)(i) of the Leahy-Smith America Invents Act (35 U.S.C. 321 note) is amended by striking ''section 102(a)'' and inserting ''subsection (a) or (e) of section 102''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on the date of the enactment of this Act and shall apply to any proceeding pending on, or filed on or after, such date of enactment.

(2) AUTHORITY TO WAIVE FEE.—Subject to available resources, the Director may waive payment of a filing fee for a transitional proceeding described under section 18(a) of the Leahy-Smith America Invents Act (35 U.S.C. 321 note).

(e) CLARIFICATION OF LIMITS ON PATENT TERM ADJUSTMENT.—

(1) AMENDMENTS.—Section 154(b)(1)(B) of title 35, United States Code, is amended—

(A) in the matter preceding clause (i), by striking ''not including—'' and inserting ''the term of the patent shall be extended 1 day for each day after the end of that 3-year period until the patent is issued, not including—'';

(B) in clause (i), by striking ''consumed by continued examination of the application requested by the applicant'' and inserting ''consumed after continued examination of the application is requested by the applicant'';

(C) in clause (iii), by striking the comma at the end and inserting a period; and

(D) by striking the matter following clause (iii).

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the

enactment of this Act and apply to any patent application that is pending on, or filed on or after, such date of enactment.

(f) CLARIFICATION OF JURISDICTION.—

(1) IN GENERAL.—The Federal interest in preventing inconsistent final judicial determinations as to the legal force or effect of the claims in a patent presents a substantial Federal issue that is important to the Federal system as a whole.

(2) APPLICABILITY.—Paragraph (1)—

(A) shall apply to all cases filed on or after, or pending on, the date of the enactment of this Act; and

(B) shall not apply to a case in which a Federal court has issued a ruling on whether the case or a claim arises under any Act of Congress relating to patents or plant variety protection before the date of the enactment of this Act.

(g) PATENT PILOT PROGRAM IN CERTAIN DISTRICT COURTS DURATION.—

(1) DURATION.—Section 1(c) of Public Law 111–349 (124 Stat. 3674; 28 U.S.C. 137 note) is amended to read as follows:

''(c) DURATION.—The program established under subsection (a) shall be maintained using existing resources, and shall terminate 20 years after the end of the 6-month period described in subsection (b).''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(h) TECHNICAL CORRECTIONS.—

(1) NOVELTY.—

(A) AMENDMENT.—Section 102(b)(1)(A) of title 35, United States Code, is amended by striking ''the inventor or joint inventor or by another'' and inserting ''the inventor or a joint inventor or another''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall be effective as if included in the amendment made by section 3(b)(1) of the Leahy-Smith America Invents Act (Public Law 112–29).

(2) INVENTOR'S OATH OR DECLARATION.—

(A) AMENDMENT.—The second sentence of section 115(a) of title 35, United States Code, is amended by striking ''shall execute'' and inserting ''may be required to execute''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall be effective as if included in the amendment made by section 4(a)(1) of the Leahy-Smith America Invents Act (Public Law 112–29).

(3) ASSIGNEE FILERS.—

(A) BENEFIT OF EARLIER FILING DATE; RIGHT OF PRIORITY.—Section 119(e)(1) of title 35, United States Code, is amended, in the first sentence, by striking ''by an inventor or inventors named'' and inserting ''that names the inventor or a joint inventor''.

(B) BENEFIT OF EARLIER FILING DATE IN THE UNITED STATES.—Section 120 of title 35, United States Code, is amended, in the first sentence, by striking ''names an inventor or joint inventor'' and inserting ''names the inventor or a joint inventor''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the date of the enactment of this Act and shall apply to any patent application, and any patent issuing from such application, that is filed on or after September 16, 2012.

(4) DERIVED PATENTS.—

(A) AMENDMENT.—Section 291(b) of title 35, United States Code, is amended by striking ''or joint inventor'' and inserting ''or a joint inventor''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall be effective as if included in the amendment made by section 3(h)(1) of the Leahy-Smith America Invents Act (Public Law 112–29).

(5) SPECIFICATION.—Notwithstanding section 4(e) of the Leahy-Smith America Invents Act (Public Law 112–29; 125 Stat. 297), the amendments made by subsections (c) and (d) of section 4 of such Act shall apply to any proceeding or matter that is pending on, or filed on or after, the date of the enactment of this Act.

(6) TIME LIMIT FOR COMMENCING MISCONDUCT PROCEEDINGS.—

(A) AMENDMENT.—The fourth sentence of section 32 of title 35, United States Code, is amended by striking ''1 year'' and inserting ''18 months''.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall take effect on the date of the enactment of this Act and shall

apply to any action in which the Office files a complaint on or after such date of enactment.

(7) PATENT OWNER RESPONSE.—

(A) CONDUCT OF INTER PARTES REVIEW.—Paragraph (8) of section 316(a) of title 35, United States Code, is amended by striking ''the petition under section 313'' and inserting ''the petition under section 311''.

(B) CONDUCT OF POST-GRANT REVIEW.—Paragraph (8) of section 326(a) of title 35, United States Code, is amended by striking ''the petition under section 323'' and inserting ''the petition under section 321''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the date of the enactment of this Act.

(8) INTERNATIONAL APPLICATIONS.—

(A) AMENDMENTS.—Section 202(b) of the Patent Law Treaties Implementation Act of 2012 (Public Law 112–211; 126 Stat. 1536) is amended—

(i) by striking paragraph (7); and

(ii) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall be effective as if included in title II of the Patent Law Treaties Implementation Act of 2012 (Public Law 112–21).

SEC. 3309. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, the provisions of this subtitle shall take effect on the date of the enactment of this Act, and shall apply to any patent issued, or any action filed, on or after that date.

Subtitle D—Resolving Environmental and Grid Reliability Conflicts

SEC. 3401. AMENDMENTS TO THE FEDERAL POWER ACT.

(a) COMPLIANCE WITH OR VIOLATION OF ENVIRONMENTAL LAWS WHILE UNDER EMERGENCY ORDER.—Section 202(c) of the Federal Power Act (16 U.S.C. 824a(c)) is amended—

(1) by inserting ''(1)'' after ''(c)''; and

(2) by adding at the end the following:

''(2) With respect to an order issued under this subsection that may result in a conflict with a requirement of any Federal, State, or local environmental law or regulation, the Commission shall ensure that such order requires generation, delivery, interchange, or transmission

of electric energy only during hours necessary to meet the emergency and serve the public interest, and, to the maximum extent practicable, is consistent with any applicable Federal, State, or local environmental law or regulation and minimizes any adverse environmental impacts.

''(3) To the extent any omission or action taken by a party, that is necessary to comply with an order issued under this subsection, including any omission or action taken to voluntarily comply with such order, results in noncompliance with, or causes such party to not comply with, any Federal, State, or local environmental law or regulation, such omission or action shall not be considered a violation of such environmental law or regulation, or subject such party to any requirement, civil or criminal liability, or a citizen suit under such environmental law or regulation.

''(4)(A) An order issued under this subsection that may result in a conflict with a requirement of any Federal, State, or local environmental law or regulation shall expire not later than 90 days after it is issued. The Commission may renew or reissue such order pursuant to paragraphs (1) and (2) for subsequent periods, not to exceed 90 days for each period, as the Commission determines necessary to meet the emergency and serve the public interest.

''(B) In renewing or reissuing an order under subparagraph (A), the Commission shall consult with the primary Federal agency with expertise in the environmental interest protected by such law or regulation, and shall include in any such renewed or reissued order such conditions as such Federal agency determines necessary to minimize any adverse environmental impacts to the maximum extent practicable. The conditions, if any, submitted by such Federal agency shall be made available to the public. The Commission may exclude such a condition from the renewed or reissued order if it determines that such condition would prevent the order from adequately addressing the emergency necessitating such order and provides in the order, or otherwise makes publicly available, an explanation of such determination.''.

(b) TEMPORARY CONNECTION OR CONSTRUCTION BY MUNICIPALITIES.—Section 202(d) of the Federal Power Act (16 U.S.C. 824a(d)) is amended by inserting ''or municipality'' before ''engaged in the transmission or sale of electric energy''.

TITLE IV—PRESERVING ACCESS TO ABUNDANT AND AFFORDABLE SOURCES OF ENERGY

Subtitle A—Northern Route Approval

SEC. 4101. FINDINGS.

The Congress finds the following:

(1) To maintain our Nation's competitive edge and ensure an economy built to last, the United States must have fast, reliable, resilient, and environmentally sound means of moving energy. In a global economy, we will compete for the world's investments based in significant part on the quality of our infrastructure. Investing in the Nation's infrastructure provides immediate and long-term economic benefits for local communities and the Nation as a whole.

(2) The delivery of oil from Canada, a close ally not only in proximity but in shared values and ideals, to domestic markets is in the national interest because of the need to lessen dependence upon insecure foreign sources.

(3) The Keystone XL pipeline would provide both short-term and long-term employment opportu-

nities and related labor income benefits, such as government revenues associated with taxes.

(4) The State of Nebraska has thoroughly reviewed and approved the proposed Keystone XL pipeline reroute, concluding that the concerns of Nebraskans have had a major influence on the pipeline reroute and that the reroute will have minimal environmental impacts.

(5) The Department of State and other Federal agencies have over a long period of time conducted extensive studies and analysis of the technical aspects and of the environmental, social, and economic impacts of the proposed Keystone XL pipeline, and—

(A) the Department of State assessments found that the Keystone XL pipeline ''is not likely to impact the amount of crude oil produced from the oil sands'' and that ''approval or denial of the proposed project is unlikely to have a substantial impact on the rate of development in the oil sands'';

(B) the Department of State found that incremental life-cycle greenhouse gas emissions associated with the Keystone XL project are estimated in the range of 0.07 to 0.83 million

metric tons of carbon dioxide equivalents, with the upper end of this range representing twelve one-thousandths of one percent of the 6,702 million metric tons of carbon dioxide emitted in the United States in 2011; and

(C) after extensive evaluation of potential impacts to land and water resources along the Keystone XL pipeline's 875 mile proposed route, the Department of State found that ''The analyses of potential impacts associated with construction and normal operation of the proposed Project suggest that there would be no significant impacts to most resources along the proposed Project route (assuming Keystone complies with all laws and required conditions and measures).''.

(6) The transportation of oil via pipeline is the safest and most economically and environmentally effective means of doing so, and—

(A) transportation of oil via pipeline has a record of unmatched safety and environmental protection, and the Department of State found that ''Spills associated with the proposed Project that enter the environment expected to be rare and relatively small'', and that ''there

is no evidence of increased corrosion or other pipeline threat due to viscosity'' of diluted bitumen oil that will be transported by the Keystone XL pipeline; and

(B) plans to incorporate 57 project-specific special conditions related to the design, construction, and operations of the Keystone XL pipeline led the Department of State to find that the pipeline will have ''a degree of safety over any other typically constructed domestic oil pipeline''.

(7) The Keystone XL is in much the same position today as the Alaska Pipeline in 1973 prior to congressional action. Once again, the Federal regulatory process remains an insurmountable obstacle to a project that is likely to reduce oil imports from insecure foreign sources.

SEC. 4102. KEYSTONE XL PERMIT APPROVAL.

Notwithstanding Executive Order No. 13337 (3 U.S.C. 301 note), Executive Order No. 11423 (3 U.S.C. 301 note), section 301 of title 3, United States Code, and any other Executive order or provision of law, no Presidential permit shall be required for the pipeline described in the application filed on May 4, 2012, by TransCanada Keystone Pipeline, L.P. to the Department of State for

the Keystone XL pipeline, as supplemented to include the Nebraska reroute evaluated in the Final Evaluation Report issued by the Nebraska Department of Environmental Quality in January 2013 and approved by the Nebraska governor. The final environmental impact statement issued by the Secretary of State on August 26, 2011, coupled with the Final Evaluation Report described in the previous sentence, shall be considered to satisfy all requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and of the National Historic Preservation Act (16 U.S.C. 470 et seq.).

SEC. 4103. JUDICIAL REVIEW.

(a) EXCLUSIVE JURISDICTION.—Except for review by the Supreme Court on writ of certiorari, the United States Court of Appeals for the District of Columbia Circuit shall have original and exclusive jurisdiction to determine—

(1) the validity of any final order or action (including a failure to act) of any Federal agency or officer with respect to issuance of a permit relating to the construction or maintenance of the Keystone XL pipeline, including any final order or action deemed to be taken, made, granted, or issued;

(2) the constitutionality of any provision of this subtitle, or any decision or action taken, made,

granted, or issued, or deemed to be taken, made, granted, or issued under this subtitle; or

(3) the adequacy of any environmental impact statement prepared under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), or of any analysis under any other Act, with respect to any action taken, made, granted, or issued, or deemed to be taken, made, granted, or issued under this subtitle.

(b) DEADLINE FOR FILING CLAIM.—A claim arising under this subtitle may be brought not later than 60 days after the date of the decision or action giving rise to the claim.

(c) EXPEDITED CONSIDERATION.—The United States Court of Appeals for the District of Columbia Circuit shall set any action brought under subsection (a) for expedited consideration, taking into account the national interest of enhancing national energy security by providing access to the significant oil reserves in Canada that are needed to meet the demand for oil.

SEC. 4104. AMERICAN BURYING BEETLE.

(a) FINDINGS.—The Congress finds that—

(1) environmental reviews performed for the Keystone XL pipeline project satisfy the require-

ments of section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536(a)(2)) in its entirety; and

(2) for purposes of that Act, the Keystone XL pipeline project will not jeopardize the continued existence of the American burying beetle or destroy or adversely modify American burying beetle critical habitat.

(b) BIOLOGICAL OPINION.—The Secretary of the Interior is deemed to have issued a written statement setting forth the Secretary's opinion containing such findings under section 7(b)(1)(A) of the Endangered Species Act of 1973 (16 U.S.C. 1536(b)(1)(A)) and any taking of the American burying beetle that is incidental to the construction or operation and maintenance of the Keystone XL pipeline as it may be ultimately defined in its entirety, shall not be considered a prohibited taking of such species under such Act.

SEC. 4105. RIGHT-OF-WAY AND TEMPORARY USE PERMIT.

The Secretary of the Interior is deemed to have granted or issued a grant of right-of-way and temporary use permit under section 28 of the Mineral Leasing Act (30 U.S.C. 185) and the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), as set forth in the application tendered to the Bureau of Land Management for the Keystone XL pipeline.

SEC. 4106. PERMITS FOR ACTIVITIES IN NAVIGABLE WATERS.

(a) ISSUANCE OF PERMITS.—The Secretary of the Army, not later than 90 days after receipt of an application therefor, shall issue all permits under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) and section 10 of the Act of March 3, 1899 (33 U.S.C. 403; commonly known as the Rivers and Harbors Appropriations Act of 1899), necessary for the construction, operation, and maintenance of the pipeline described in the May 4, 2012, application referred to in section 4103, as supplemented by the Nebraska reroute. The application shall be based on the administrative record for the pipeline as of the date of enactment of this Act, which shall be considered complete.

(b) WAIVER OF PROCEDURAL REQUIREMENTS.—The Secretary may waive any procedural requirement of law or regulation that the Secretary considers desirable to waive in order to accomplish the purposes of this section.

(c) ISSUANCE IN ABSENCE OF ACTION BY THE SECRETARY.—If the Secretary has not issued a permit described in subsection (a) on or before the last day of the 90-day period referred to in subsection (a), the permit shall be deemed issued under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) or section

10 of the Act of March 3, 1899 (33 U.S.C. 403), as appropriate, on the day following such last day.

(d) LIMITATION.—The Administrator of the Environmental Protection Agency may not prohibit or restrict an activity or use of an area that is authorized under this section.

SEC. 4107. MIGRATORY BIRD TREATY ACT PERMIT.

The Secretary of the Interior is deemed to have issued a special purpose permit under the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.), as described in the application filed with the United States Fish and Wildlife Service for the Keystone XL pipeline on January 11, 2013.

SEC. 4108. OIL SPILL RESPONSE PLAN DISCLOSURE.

(a) IN GENERAL.—Any pipeline owner or operator required under Federal law to develop an oil spill response plan for the Keystone XL pipeline shall make such plan available to the Governor of each State in which such pipeline operates to assist with emergency response preparedness.

(b) UPDATES.—A pipeline owner or operator required to make available to a Governor a plan under subsection (a) shall make available to such Governor any update of such plan not later than 7 days after the date on which such update is made.

Subtitle B—Natural Gas Pipeline Permitting Reform

SEC. 4201. REGULATORY APPROVAL OF NATURAL GAS PIPELINE PROJECTS.

Section 7 of the Natural Gas Act (15 U.S.C. 717f) is amended by adding at the end the following new subsection:

''(i)(1) The Commission shall approve or deny an application for a certificate of public convenience and necessity for a prefiled project not later than 12 months after receiving a complete application that is ready to be processed, as defined by the Commission by regulation.

''(2) The agency responsible for issuing any license, permit, or approval required under Federal law in connection with a prefiled project for which a certificate of public convenience and necessity is sought under this Act shall approve or deny the issuance of the license, permit, or approval not later than 90 days after the Commission issues its final environmental document relating to the project.

''(3) The Commission may extend the time period under paragraph (2) by 30 days if an agency demonstrates that it cannot otherwise complete the process required to approve or deny the license, permit, or approval, and therefor will be compelled to deny the license, permit, or approval. In granting an extension under this paragraph,

the Commission may offer technical assistance to the agency as necessary to address conditions preventing the completion of the review of the application for the license, permit, or approval.

''(4) If an agency described in paragraph (2) does not approve or deny the issuance of the license, permit, or approval within the time period specified under paragraph (2) or (3), as applicable, such license, permit, or approval shall take effect upon the expiration of 30 days after the end of such period. The Commission shall incorporate into the terms of such license, permit, or approval any conditions proffered by the agency described in paragraph (2) that the Commission does not find are inconsistent with the final environmental document.

''(5) For purposes of this subsection, the term 'prefiled project' means a project for the siting, construction, expansion, or operation of a natural gas pipeline with respect to which a prefiling docket number has been assigned by the Commission pursuant to a prefiling process established by the Commission for the purpose of facilitating the formal application process for obtaining a certificate of public convenience and necessity.''.

Subtitle C—North American Energy Infrastructure

SEC. 4301. FINDING.

Congress finds that the United States should establish a more uniform, transparent, and modern process for the construction, connection, operation, and maintenance of oil and natural gas pipelines and electric transmission facilities for the import and export of oil and natural gas and the transmission of electricity to and from Canada and Mexico, in pursuit of a more secure and efficient North American energy market.

SEC. 4302. AUTHORIZATION OF CERTAIN ENERGY INFRASTRUCTURE PROJECTS AT THE NATIONAL BOUNDARY OF THE UNITED STATES.

(a) AUTHORIZATION.—Except as provided in subsection (c) and section 4306, no person may construct, connect, operate, or maintain a cross-border segment of an oil pipeline or electric transmission facility for the import or export of oil or the transmission of electricity to or from Canada or Mexico without obtaining a certificate of crossing for the construction, connection, operation, or maintenance of the cross-border segment under this section.

(b) CERTIFICATE OF CROSSING.—

(1) REQUIREMENT.—Not later than 120 days after final action is taken under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to a cross-border segment for which a request is received under this section, the relevant official identified under paragraph (2), in consultation with appropriate Federal agencies, shall issue a certificate of crossing for the cross-border segment unless the relevant official finds that the construction, connection, operation, or maintenance of the cross-border segment is not in the public interest of the United States.

(2) RELEVANT OFFICIAL.—The relevant official referred to in paragraph (1) is—

(A) the Secretary of State with respect to oil pipelines; and

(B) the Secretary of Energy with respect to electric transmission facilities.

(3) ADDITIONAL REQUIREMENT FOR ELECTRIC TRANSMISSION FACILITIES.—In the case of a request for a certificate of crossing for the construction, connection, operation, or maintenance of a cross-border segment of an electric transmission facility, the Secretary of Energy shall require, as a condition of issuing the certificate of crossing for the request

under paragraph (1), that the cross-border segment of the electric transmission facility be constructed, connected, operated, or maintained consistent with all applicable policies and standards of—

(A) the Electric Reliability Organization and the applicable regional entity; and

(B) any Regional Transmission Organization or Independent System Operator with operational or functional control over the cross-border segment of the electric transmission facility.

(c) EXCLUSIONS.—This section shall not apply to any construction, connection, operation, or maintenance of a cross-border segment of an oil pipeline or electric transmission facility for the import or export of oil or the transmission of electricity to or from Canada or Mexico—

(1) if the cross-border segment is operating for such import, export, or transmission as of the date of enactment of this Act;

(2) if a permit described in section 4305 for such construction, connection, operation, or maintenance has been issued;

(3) if a certificate of crossing for such construction, connection, operation, or maintenance has previously been issued under this section; or

(4) if an application for a permit described in section 4305 for such construction, connection, operation, or maintenance is pending on the date of enactment of this Act, until the earlier of—

(A) the date on which such application is denied; or

(B) July 1, 2016.

(d) EFFECT OF OTHER LAWS.—

(1) APPLICATION TO PROJECTS.—Nothing in this section or section 4306 shall affect the application of any other Federal statute to a project for which a certificate of crossing for the construction, connection, operation, or maintenance of a cross-border segment is sought under this section.

(2) NATURAL GAS ACT.—Nothing in this section or section 4306 shall affect the requirement to obtain approval or authorization under sections 3 and 7 of the Natural Gas Act for the siting, construction, or operation of any facility to import or export natural gas.

(3) ENERGY POLICY AND CONSERVATION ACT.—Nothing in this section or section 4306 shall affect the authority of the President under section 103(a) of the Energy Policy and Conservation Act.

SEC. 4303. IMPORTATION OR EXPORTATION OF NATURAL GAS TO CANADA AND MEXICO.

Section 3(c) of the Natural Gas Act (15 U.S.C. 717b(c)) is amended by adding at the end the following: ''No order is required under subsection (a) to authorize the export or import of any natural gas to or from Canada or Mexico.''.

SEC. 4304. TRANSMISSION OF ELECTRIC ENERGY TO CANADA AND MEXICO.

(a) REPEAL OF REQUIREMENT TO SECURE ORDER.—Section 202(e) of the Federal Power Act (16 U.S.C. 824a(e)) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) STATE REGULATIONS.—Section 202(f) of the Federal Power Act (16 U.S.C. 824a(f)) is amended by striking ''insofar as such State regulation does not conflict with the exercise of the Commission's powers under or relating to subsection 202(e)''.

(2) SEASONAL DIVERSITY ELECTRICITY EXCHANGE.—Section 602(b) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 824a–4(b)) is amended by striking ''the Commission has conducted hearings and made the findings required under section 202(e) of the Federal Power Act'' and all that follows through the period at the end and

inserting ''the Secretary has conducted hearings and finds that the proposed transmission facilities would not impair the sufficiency of electric supply within the United States or would not impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of the Secretary.''.

SEC. 4305. NO PRESIDENTIAL PERMIT REQUIRED.

No Presidential permit (or similar permit) required under Executive Order No. 13337 (3 U.S.C. 301 note), Executive Order No. 11423 (3 U.S.C. 301 note), section 301 of title 3, United States Code, Executive Order No. 12038, Executive Order No. 10485, or any other Executive order shall be necessary for the construction, connection, operation, or maintenance of an oil or natural gas pipeline or electric transmission facility, or any cross-border segment thereof.

SEC. 4306. MODIFICATIONS TO EXISTING PROJECTS.

No certificate of crossing under section 4302, or permit described in section 4305, shall be required for a modification to the construction, connection, operation, or maintenance of an oil or natural gas pipeline or electric transmission facility—

(1) that is operating for the import or export of oil or natural gas or the transmission of elec-

tricity to or from Canada or Mexico as of the date of enactment of the Act;

(2) for which a permit described in section 4305 for such construction, connection, operation, or maintenance has been issued; or

(3) for which a certificate of crossing for the cross-border segment of the pipeline or facility has previously been issued under section 4302.

SEC. 4307. EFFECTIVE DATE; RULEMAKING DEADLINES.

(a) EFFECTIVE DATE.—Sections 4302 through 4306, and the amendments made by such sections, shall take effect on July 1, 2015.

(b) RULEMAKING DEADLINES.—Each relevant official described in section 4302(b)(2) shall—

(1) not later than 180 days after the date of enactment of this Act, publish in the Federal Register notice of a proposed rulemaking to carry out the applicable requirements of section 4302; and

(2) not later than 1 year after the date of enactment of this Act, publish in the Federal Register a final rule to carry out the applicable requirements of section 4302.

SEC. 4308. DEFINITIONS.

In this subtitle—

(1) the term ''cross-border segment'' means the portion of an oil or natural gas pipeline or electric transmission facility that is located at the national boundary of the United States with either Canada or Mexico;

(2) the term ''modification'' includes a reversal of flow direction, change in ownership, volume expansion, downstream or upstream interconnection, or adjustment to maintain flow (such as a reduction or increase in the number of pump or compressor stations);

(3) the term ''natural gas'' has the meaning given that term in section 2 of the Natural Gas Act (15 U.S.C. 717a);

(4) the term ''oil'' means petroleum or a petroleum product;

(5) the terms ''Electric Reliability Organization'' and ''regional entity'' have the meanings given those terms in section 215 of the Federal Power Act (16 U.S.C. 824o); and

(6) the terms ''Independent System Operator'' and ''Regional Transmission Organization'' have the meanings given those terms in section 3 of the Federal Power Act (16 U.S.C. 796).

Subtitle D—Protecting States' Rights To Promote American Energy Security Act

CHAPTER 1—STATE AUTHORITY FOR HYDRAULIC FRACTURING REGULATION

SEC. 4411. STATE AUTHORITY FOR HYDRAULIC FRACTURING REGULATION.

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

"SEC. 44. STATE AUTHORITY FOR HYDRAULIC FRACTURING REGULATION.

''(a) IN GENERAL.—The Department of the Interior shall not enforce any Federal regulation, guidance, or permit requirement regarding hydraulic fracturing, or any component of that process, relating to oil, gas, or geothermal production activities on or under any land in any State that has regulations, guidance, or permit requirements for that activity.

''(b) STATE AUTHORITY.—The Department of the Interior shall recognize and defer to State regulations, permitting, and guidance, for all activities related to hydraulic fracturing, or any component of that process, relating to oil, gas, or geothermal production activities on Federal land.

''(c) TRANSPARENCY OF STATE REGULATIONS.—

''(1) IN GENERAL.—Each State shall submit to the Bureau of Land Management a copy of its regulations that apply to hydraulic fracturing operations on Federal land.

''(2) AVAILABILITY.—The Secretary of the Interior shall make available to the public State regulations submitted under this subsection.

''(d) TRANSPARENCY OF STATE DISCLOSURE REQUIREMENTS.—

''(1) IN GENERAL.—Each State shall submit to the Bureau of Land Management a copy of any regulations of the State that require disclosure of chemicals used in hydraulic fracturing operations on Federal land.

''(2) AVAILABILITY.—The Secretary of the Interior shall make available to the public State regulations submitted under this subsection.

''(e) HYDRAULIC FRACTURING DEFINED.—In this section the term 'hydraulic fracturing' means the process by which fracturing fluids (or a fracturing fluid system) are pumped into an underground geologic formation at a calculated, predetermined rate and pressure to generate fractures or cracks in the target formation and thereby

increase the permeability of the rock near the wellbore and improve production of natural gas or oil.''.

SEC. 4412. GOVERNMENT ACCOUNTABILITY OFFICE STUDY.

(a) STUDY.—The Comptroller General of the United States shall conduct a study examining the economic benefits of domestic shale oil and gas production resulting from the process of hydraulic fracturing. This study will include identification of—

(1) State and Federal revenue generated as a result of shale gas production;

(2) jobs created both directly and indirectly as a result of shale oil and gas production; and

(3) an estimate of potential energy prices without domestic shale oil and gas production.

(b) REPORT.—The Comptroller General shall submit a report on the findings of such study to the Committee on Natural Resources of the House of Representatives within 30 days after completion of the study.

SEC. 4413. TRIBAL AUTHORITY ON TRUST LAND.

The Department of the Interior shall not enforce any Federal regulation, guidance, or permit requirement regarding the process of hydraulic fracturing (as that term is defined in section 44 of the Mineral Leasing Act, as amended by section 4411 of this Act), or any component of that process, relating to oil, gas, or geothermal produc-

tion activities on any land held in trust or restricted status for the benefit of Indians except with the express consent of the beneficiary on whose behalf such land is held in trust or restricted status.

CHAPTER 2—EPA HYDRAULIC FRACTURING RESEARCH

SEC. 4421. EPA HYDRAULIC FRACTURING RESEARCH.

In conducting its study of the potential impacts of hydraulic fracturing on drinking water resources, with respect to which a request for information was issued under Federal Register Vol. 77, No. 218, the Administrator of the Environmental Protection Agency shall adhere to the following requirements:

(1) PEER REVIEW AND INFORMATION QUALITY.—Prior to issuance and dissemination of any final report or any interim report summarizing the Environmental Protection Agency's research on the relationship between hydraulic fracturing and drinking water, the Administrator shall—

(A) consider such reports to be Highly Influential Scientific Assessments and require peer review of such reports in accordance with guidelines governing such assessments, as described in—

(i) the Environmental Protection Agency's Peer Review Handbook 3rd Edition;

(ii) the Environmental Protection Agency's Scientific Integrity Policy, as in effect on the date of enactment of this Act; and

(iii) the Office of Management and Budget's Peer Review Bulletin, as in effect on the date of enactment of this Act; and

(B) require such reports to meet the standards and procedures for the dissemination of influential scientific, financial, or statistical information set forth in the Environmental Protection Agency's Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by the Environmental Protection Agency, developed in response to guidelines issued by the Office of Management and Budget under section 515(a) of the Treasury and General Government Appropriations Act for Fiscal Year 2001 (Public Law 106–554).

(2) PROBABILITY, UNCERTAINTY, AND CONSEQUENCE.—In order to maximize the quality and

utility of information developed through the study, the Administrator shall ensure that identification of the possible impacts of hydraulic fracturing on drinking water resources included in such reports be accompanied by objective estimates of the probability, uncertainty, and consequence of each identified impact, taking into account the risk management practices of States and industry. Estimates or descriptions of probability, uncertainty, and consequence shall be as quantitative as possible given the validity, accuracy, precision, and other quality attributes of the underlying data and analyses, but no more quantitative than the data and analyses can support.

(3) RELEASE OF FINAL REPORT.—The final report shall be publicly released by September 30, 2016.

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 4431. REVIEW OF STATE ACTIVITIES.

The Secretary of the Interior shall annually review and report to Congress on all State activities relating to hydraulic fracturing.

Subtitle E—Offshore Energy and Jobs

CHAPTER 1—OUTER CONTINENTAL SHELF LEASING PROGRAM REFORMS

SEC. 4511. OUTER CONTINENTAL SHELF LEASING PROGRAM REFORMS.

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

''(5)(A) In each oil and gas leasing program under this section, the Secretary shall make available for leasing and conduct lease sales including at least 50 percent of the available unleased acreage within each outer Continental Shelf planning area considered to have the largest undiscovered, technically recoverable oil and gas resources (on a total btu basis) based upon the most recent national geologic assessment of the outer Continental Shelf, with an emphasis on offering the most geologically prospective parts of the planning area.

''(B) The Secretary shall include in each proposed oil and gas leasing program under this section any State subdivision of an outer Continental Shelf planning area that the Governor of the State that represents that subdivision requests be made avail-

able for leasing. The Secretary may not remove such a subdivision from the program until publication of the final program, and shall include and consider all such subdivisions in any environmental review conducted and statement prepared for such program under section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)).

''(C) In this paragraph the term 'available unleased acreage' means that portion of the outer Continental Shelf that is not under lease at the time of a proposed lease sale, and that has not otherwise been made unavailable for leasing by law.

''(6)(A) In the 5-year oil and gas leasing program, the Secretary shall make available for leasing any outer Continental Shelf planning areas that—

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

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

''(B) To determine the planning areas described in subparagraph (A), the Secretary shall use the document entitled 'Minerals Management Service Assessment of Undiscovered Technically Recoverable Oil and Gas Resources of the Nation's Outer Continental Shelf, 2006'.''.

SEC. 4512. DOMESTIC OIL AND NATURAL GAS PRODUCTION GOAL.

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

''(b) DOMESTIC OIL AND NATURAL GAS PRODUCTION GOAL.—

''(1) IN GENERAL.—In developing a 5-year oil and gas leasing program, and subject to paragraph (2), the Secretary shall determine a domestic strategic production goal for the development of oil and natural gas as a result of that program. Such goal shall be—

''(A) the best estimate of the possible increase in domestic production of oil and natural gas from the outer Continental Shelf;

''(B) focused on meeting domestic demand for oil and natural gas and reducing the dependence of the United States on foreign energy; and

''(C) focused on the production increases achieved by the leasing program at the end of the 15-year period beginning on the effective date of the program.

''(2) PROGRAM GOAL.—For purposes of the 5-year oil and gas leasing program, the production

goal referred to in paragraph (1) shall be an increase by 2032 of—

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

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

''(3) REPORTING.—The Secretary shall report annually, beginning at the end of the 5-year period for which the program applies, to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on the progress of the program in meeting the production goal. The Secretary shall identify in the report projections for production and any problems with leasing, permitting, or production that will prevent meeting the goal.''.

SEC. 4513. DEVELOPMENT AND SUBMITTAL OF NEW 5-YEAR OIL AND GAS LEASING PROGRAM.

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

(1) by not later than July 15, 2015, publish and submit to Congress a new proposed oil and gas leasing program under section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) for the

5-year period beginning on such date and ending July 15, 2021; and

(2) by not later than July 15, 2016, approve a final oil and gas leasing program under such section for such period.

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

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

SEC. 4514. RULE OF CONSTRUCTION.

Nothing in this subtitle shall be construed to authorize the issuance of a lease under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) to any person designated for the imposition of sanctions pursuant to—

(1) the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), the Comprehensive Iran Sanctions, Accountability and Divestiture Act of 2010 (22 U.S.C. 8501 et seq.), the Iran Threat Reduction and Syria

Human Rights Act of 2012 (22 U.S.C. 8701 et seq.), section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a), or the Iran Freedom and Counter-Proliferation Act of 2012 (22 U.S.C. 8801 et seq.);

(2) Executive Order No. 13622 (July 30, 2012), Executive Order No. 13628 (October 9, 2012), or Executive Order No. 13645 (June 3, 2013);

(3) Executive Order No. 13224 (September 23, 2001) or Executive Order No. 13338 (May 11, 2004); or

(4) the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003 (22 U.S.C. 2151 note).

CHAPTER 2—DIRECTING THE PRESIDENT TO CONDUCT NEW OCS SALES IN VIRGINIA, SOUTH CAROLINA, AND CALIFORNIA

SEC. 4521. REQUIREMENT TO CONDUCT PROPOSED OIL AND GAS LEASE SALE 220 ON THE OUTER CONTINENTAL SHELF OFFSHORE VIRGINIA.

(a) IN GENERAL.—Notwithstanding the exclusion of Lease Sale 220 in the Final Outer Continental Shelf Oil & Gas Leasing Program 2012–2017, the Secretary of the

Interior shall conduct offshore oil and gas Lease Sale 220 under section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) as soon as practicable, but not later than one year after the date of enactment of this Act.

(b) REQUIREMENT TO MAKE REPLACEMENT LEASE BLOCKS AVAILABLE.—For each lease block in a proposed lease sale under this section for which the Secretary of Defense, in consultation with the Secretary of the Interior, under the Memorandum of Agreement referred to in section 4525(b), issues a statement proposing deferral from a lease offering due to defense-related activities that are irreconcilable with mineral exploration and development, the Secretary of the Interior, in consultation with the Secretary of Defense, shall make available in the same lease sale one other lease block in the Virginia lease sale planning area that is acceptable for oil and gas exploration and production in order to mitigate conflict.

(c) BALANCING MILITARY AND ENERGY PRODUCTION GOALS.—In recognition that the Outer Continental Shelf oil and gas leasing program and the domestic energy resources produced therefrom are integral to national security, the Secretary of the Interior and the Secretary of Defense shall work jointly in implementing this section in order to ensure achievement of the following common goals:

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

(2) Allowing effective exploration, development, and production of our Nation's oil, gas, and renewable energy resources.

(d) DEFINITIONS.—In this section:

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

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

(A) a northern boundary consisting of a straight line extending from the northernmost point of Virginia's seaward boundary to the point on the seaward boundary of the United

States exclusive economic zone located at 37 degrees 17 minutes 1 second North latitude, 71 degrees 5 minutes 16 seconds West longitude; and

(B) a southern boundary consisting of a straight line extending from the southernmost point of Virginia's seaward boundary to the point on the seaward boundary of the United States exclusive economic zone located at 36 degrees 31 minutes 58 seconds North latitude, 71 degrees 30 minutes 1 second West longitude.

SEC. 4522. SOUTH CAROLINA LEASE SALE.

Notwithstanding inclusion of the South Atlantic Outer Continental Shelf Planning Area in the Final Outer Continental Shelf Oil & Gas Leasing Program 2012–2017, the Secretary of the Interior shall conduct a lease sale not later than 2 years after the date of the enactment of this Act for areas off the coast of South Carolina determined by the Secretary to have the most geologically promising hydrocarbon resources and constituting not less than 25 percent of the leasable area within the South Carolina offshore administrative boundaries depicted in the notice entitled ''Federal Outer Continental Shelf (OCS) Administrative Boundaries Extending from the Submerged Lands Act Boundary seaward to the Limit of the United States

Outer Continental Shelf'', published January 3, 2006 (71 Fed. Reg. 127).

SEC. 4523. SOUTHERN CALIFORNIA EXISTING INFRASTRUCTURE LEASE SALE.

(a) IN GENERAL.—The Secretary of the Interior shall offer for sale leases of tracts in the Santa Maria and Santa Barbara/Ventura Basins of the Southern California OCS Planning Area as soon as practicable, but not later than December 31, 2015.

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

SEC. 4524. ENVIRONMENTAL IMPACT STATEMENT REQUIREMENT.

(a) IN GENERAL.—For the purposes of this subtitle, the Secretary of the Interior shall prepare a multisale environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) for all lease sales required under this chapter.

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

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

(2) the Secretary shall only—

(A) identify a preferred action for leasing and not more than one alternative leasing proposal; and

(B) analyze the environmental effects and potential mitigation measures for such preferred action and such alternative leasing proposal.

SEC. 4525. NATIONAL DEFENSE.

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

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

Outer Continental Shelf under a lease issued under this subtitle that would conflict with any military operation, as determined in accordance with the Memorandum of Agreement between the Department of Defense and the Department of the Interior on Mutual Concerns on the Outer Continental Shelf signed July 20, 1983, and any revision or replacement for that agreement that is agreed to by the Secretary of Defense and the Secretary of the Interior after that date but before the date of issuance of the lease under which such exploration, development, or production is conducted.

SEC. 4526. EASTERN GULF OF MEXICO NOT INCLUDED.

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

CHAPTER 3—EQUITABLE SHARING OF OUTER CONTINENTAL SHELF REVENUES

SEC. 4531. DISPOSITION OF OUTER CONTINENTAL SHELF REVENUES TO COASTAL STATES.

(a) IN GENERAL.—Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended—

(1) in the existing text—

(A) in the first sentence, by striking ''All rentals,'' and inserting the following:

''(c) DISPOSITION OF REVENUE UNDER OLD LEASES.—All rentals,''; and

(B) in subsection (c) (as designated by the amendment made by subparagraph (A) of this paragraph), by striking ''for the period from June 5, 1950, to date, and thereafter'' and inserting ''in the period beginning June 5, 1950, and ending on the date of enactment of the American Renaissance in Manufacturing Act'';

(2) by adding after subsection (c) (as so designated) the following:

''(d) DEFINITIONS.—In this section:

''(1) COASTAL STATE.—The term 'coastal State' includes a territory of the United States.

''(2) NEW LEASING REVENUES.—The term 'new leasing revenues'—

''(A) means amounts received by the United States as bonuses, rents, and royalties under leases for oil and gas, wind, tidal, or other energy exploration, development, and production on new areas of the outer Continental Shelf that are authorized to be made available for leasing as a result of enactment of the American Renaissance in Manufacturing Act and leasing under that Act; and

''(B) does not include amounts received by the United States under any lease of an area located in the boundaries of the Central Gulf of Mexico and Western Gulf of Mexico Outer Continental Shelf Planning Areas on the date of enactment of the American Renaissance in Manufacturing Act, including a lease issued before, on, or after such date of enactment.''; and

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

''(a) PAYMENT OF NEW LEASING REVENUES TO COASTAL STATES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), of the amount of new leasing revenues received by the United States each fiscal year, 37.5 percent shall be allocated and paid in accordance with subsection (b) to coastal States that are affected States with respect to the leases under which those revenues are received by the United States.

''(2) PHASE-IN.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall be applied—

''(i) with respect to new leasing revenues under leases awarded under the first

leasing program under section 18(a) that takes effect after the date of enactment of the American Renaissance in Manufacturing Act, by substituting '12.5 percent' for '37.5 percent'; and

"(ii) with respect to new leasing revenues under leases awarded under the second leasing program under section 18(a) that takes effect after the date of enactment of the American Renaissance in Manufacturing Act, by substituting '25 percent' for '37.5 percent'.

"(B) EXEMPTED LEASE SALES.—This paragraph shall not apply with respect to any lease issued under chapter 2 of subtitle E of title IV of the American Renaissance in Manufacturing Act.

"(b) ALLOCATION OF PAYMENTS.—

"(1) IN GENERAL.—The amount of new leasing revenues received by the United States with respect to a leased tract that are required to be paid to coastal States in accordance with this subsection each fiscal year shall be allocated among and paid to coastal States that are within 200 miles of the leased tract, in amounts that are inversely propor-

tional to the respective distances between the point on the coastline of each such State that is closest to the geographic center of the lease tract, as determined by the Secretary.

''(2) MINIMUM AND MAXIMUM ALLOCATION.—The amount allocated to a coastal State under paragraph (1) each fiscal year with respect to a leased tract shall be—

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

''(B) in the case of any other coastal State, not less than 10 percent, and not more than 15 percent, of the total amounts allocated with respect to the leased tract; and

''(C) in the case of a coastal State that is the only coastal State within 200 miles of a leased tract, 100 percent of the total amounts allocated with respect to the leased tract.

''(3) ADMINISTRATION.—Amounts allocated to a coastal State under this subsection—

''(A) shall be available to the coastal State without further appropriation;

"(B) shall remain available until expended;

"(C) shall be in addition to any other amounts available to the coastal State under this Act; and

"(D) shall be distributed in the fiscal year following receipt.

"(4) USE OF FUNDS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a coastal State may use funds allocated and paid to it under this subsection for any purpose as determined by the laws of that State.

"(B) RESTRICTION ON USE FOR MATCHING.—Funds allocated and paid to a coastal State under this subsection may not be used as matching funds for any other Federal program.".

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

Outer Continental Shelf Planning Areas, including such leases issued on or after the date of the enactment of this Act.

CHAPTER 4—REORGANIZATION OF MINERALS MANAGEMENT AGENCIES OF THE DEPARTMENT OF THE INTERIOR

SEC. 4541. ESTABLISHMENT OF UNDER SECRETARY FOR ENERGY, LANDS, AND MINERALS AND ASSISTANT SECRETARY OF OCEAN ENERGY AND SAFETY.

There shall be in the Department of the Interior—

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

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

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

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

(D) be responsible for—

(i) the safe and responsible development of our energy and mineral resources on Federal lands in appropriate accordance with United States energy demands; and

(ii) ensuring multiple-use missions of the Department of the Interior that promote the safe and sustained development of energy and minerals resources on public lands (as that term is defined in the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.));

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

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

(B) report to the Under Secretary for Energy, Lands, and Minerals;

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

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

(3) an Assistant Secretary of Land and Minerals Management, who shall—

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

(B) report to the Under Secretary for Energy, Lands, and Minerals;

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

(D) be responsible for ensuring safe and efficient development of energy and minerals on public lands and other Federal onshore lands under the jurisdiction of the Department of the Interior, including implementation of the Mineral Leasing Act (30 U.S.C. 181 et seq.) and the Surface Mining Control and Reclamation Act (30 U.S.C. 1201 et seq.) and administration of the Office of Surface Mining.

SEC. 4542. BUREAU OF OCEAN ENERGY.

(a) ESTABLISHMENT.—There is established in the Department of the Interior a Bureau of Ocean Energy (referred to in this section as the ''Bureau''), which shall—

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

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

(b) DIRECTOR.—

(1) APPOINTMENT.—The Director shall be appointed by the Secretary of the Interior.

(2) 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.

(c) DUTIES.—

(1) IN GENERAL.—The Secretary of the Interior shall carry out through the Bureau all functions, powers, and duties vested in the Secretary relating to the administration of a comprehensive program of offshore mineral and renewable energy resources management.

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

(A) for the proper issuance of leases for the exploration, development, and production of nonrenewable and renewable energy and mineral resources on the Outer Continental Shelf;

(B) relating to resource identification, access, evaluation, and utilization;

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

(D) regarding issuance of environmental impact statements related to leasing and post leasing activities including exploration, development, and production, and the use of third

party contracting for necessary environmental analysis for the development of such resources.

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

(A) required by section 4543 to be carried out through the Ocean Energy Safety Service; or

(B) required by section 4544 to be carried out through the Office of Natural Resources Revenue.

(d) RESPONSIBILITIES OF LAND MANAGEMENT AGENCIES.—Nothing in this section shall affect the authorities of the Bureau of Land Management under the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) or of the Forest Service under the National Forest Management Act of 1976 (Public Law 94–588).

SEC. 4543. OCEAN ENERGY SAFETY SERVICE.

(a) ESTABLISHMENT.—There is established in the Department of the Interior an Ocean Energy Safety Service (referred to in this section as the ''Service''), which shall—

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

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

(b) DIRECTOR.—

(1) APPOINTMENT.—The Director shall be appointed by the Secretary of the Interior.

(2) 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.

(c) DUTIES.—

(1) IN GENERAL.—The Secretary of the Interior shall carry out through the Service all functions, powers, and duties vested in the Secretary relating to the administration of safety and environmental enforcement activities related to offshore mineral and renewable energy resources on the Outer Continental Shelf pursuant to the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) including the authority to develop, promulgate, and enforce regulations to ensure the safe and sound exploration, development, and production of mineral and renewable energy resources on the Outer Continental Shelf in a timely fashion.

(2) SPECIFIC AUTHORITIES.—The Director shall be responsible for all safety activities related to

exploration and development of renewable and mineral resources on the Outer Continental Shelf, including—

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

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

(C) cancelling any lease, permit, or right-of-way on the Outer Continental Shelf, in accordance with section 5(a)(2) of the Outer Continental Shelf Lands Act (43 U.S.C. 1334(a)(2));

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

(E) requiring comprehensive safety and environmental management programs for persons engaged in activities connected with the exploration, development, and production of mineral or renewable energy resources;

(F) developing and implementing regulations for Federal employees to carry out any inspection or investigation to ascertain compliance with applicable regulations, including health, safety, or environmental regulations;

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

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

(I) levying fines and penalties and disqualifying operators;

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

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

(d) EMPLOYEES.—

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

(2) QUALIFICATIONS.—The qualification requirements referred to in paragraph (1)—

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

(B) shall include—

(i) 3 years of practical experience in oil and gas exploration, development, or production; or

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

(3) ASSIGNMENT.—In assigning oil and gas inspectors to the inspection and investigation of individual operations, the Secretary shall give due consideration to the extent possible to their previous experience in the particular type of oil and gas operation in which such inspections are to be made.

(4) BACKGROUND CHECKS.—The Director shall require that an individual to be hired as an inspection officer undergo an employment investigation (including a criminal history record check).

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

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

(B) write inspection reports and statements and log entries in the English language.

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

(7) ANNUAL PROFICIENCY REVIEW.—

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

(B) CONTINUATION OF EMPLOYMENT.—An individual employed as an inspector may not continue to be employed in that capacity unless the evaluation demonstrates that the individual—

(i) continues to meet all qualifications and standards;

(ii) has a satisfactory record of performance and attention to duty based on the standards and requirements in the inspection program; and

(iii) demonstrates the current knowledge and skills necessary to courteously, vigilantly, and effectively perform inspection functions.

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

(9) PERSONNEL AUTHORITY.—Notwithstanding any other provision of law, the Director may employ, appoint, discipline and terminate for cause, and fix the compensation, terms, and conditions of employment of Federal service for individuals as the employees of the Service in order to restore and maintain the trust of the people of the United States in the accountability of the management of our Nation's energy safety program.

(10) TRAINING ACADEMY.—

(A) IN GENERAL.—The Secretary shall establish and maintain a National Offshore Energy Safety Academy (referred to in this paragraph as the ''Academy'') as an agency of the Ocean Energy Safety Service.

(B) FUNCTIONS OF ACADEMY.—The Secretary, through the Academy, shall be responsible for—

(i) the initial and continued training of both newly hired and experienced offshore oil and gas inspectors in all aspects of health, safety, environmental, and operational inspections;

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

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

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

(C) COOPERATIVE AGREEMENTS.—

(i) IN GENERAL.—In performing functions under this paragraph, and subject to clause (ii), the Secretary may enter into cooperative educational and training agreements with educational institutions, related

Federal academies, other Federal agencies, State governments, safety training firms, and oil and gas operators and related industries.

(ii) TRAINING REQUIREMENT.—Such training shall be conducted by the Academy in accordance with curriculum needs and assignment of instructional personnel established by the Secretary.

(11) USE OF DEPARTMENT PERSONNEL.—In performing functions under this subsection, the Secretary shall use, to the extent practicable, the facilities and personnel of the Department of the Interior. The Secretary may appoint or assign to the Academy such officers and employees as the Secretary considers necessary for the performance of the duties and functions of the Academy.

(12) ADDITIONAL TRAINING PROGRAMS.—

(A) IN GENERAL.—The Secretary shall work with appropriate educational institutions, operators, and representatives of oil and gas workers to develop and maintain adequate programs with educational institutions and oil and gas operators that are designed—

(i) to enable persons to qualify for positions in the administration of this subtitle; and

(ii) to provide for the continuing education of inspectors or other appropriate Department of the Interior personnel.

(B) FINANCIAL AND TECHNICAL ASSISTANCE.—The Secretary may provide financial and technical assistance to educational institutions in carrying out this paragraph.

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

(1) required by section 4542 to be carried out through the Bureau of Ocean Energy; or

(2) required by section 4544 to be carried out through the Office of Natural Resources Revenue.

SEC. 4544. OFFICE OF NATURAL RESOURCES REVENUE.

(a) ESTABLISHMENT.—There is established in the Department of the Interior an Office of Natural Resources Revenue (referred to in this section as the ''Office'') to be headed by a Director of Natural Resources Revenue (referred to in this section as the ''Director'').

(b) APPOINTMENT AND COMPENSATION.—

(1) IN GENERAL.—The Director shall be appointed by the Secretary of the Interior.

(2) 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.

(c) DUTIES.—

(1) IN GENERAL.—The Secretary of the Interior shall carry out, through the Office, all functions, powers, and duties vested in the Secretary and relating to the administration of offshore royalty and revenue management functions.

(2) SPECIFIC AUTHORITIES.—The Secretary shall carry out, through the Office, all functions, powers, and duties previously assigned to the Minerals Management Service (including the authority to develop, promulgate, and enforce regulations) regarding offshore royalty and revenue collection; royalty and revenue distribution; auditing and compliance; investigation and enforcement of royalty and revenue regulations; and asset management for onshore and offshore activities.

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

(1) required by section 4542 to be carried out through the Bureau of Ocean Energy; or

(2) required by section 4543 to be carried out through the Ocean Energy Safety Service.

SEC. 4545. ETHICS AND DRUG TESTING.

(a) CERTIFICATION.—The Secretary of the Interior shall certify annually that all Department of the Interior officers and employees having regular, direct contact with lessees, contractors, concessionaires, and other businesses interested before the Government as a function of their official duties, or conducting investigations, issuing permits, or responsible for oversight of energy programs, are in full compliance with all Federal employee ethics laws and regulations under the Ethics in Government Act of 1978 (5 U.S.C. App.) and part 2635 of title 5, Code of Federal Regulations, and all guidance issued under subsection (c).

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

(c) GUIDANCE.—Not later than 90 days after the date of enactment of this Act, the Secretary shall issue supplementary ethics and drug testing guidance for the employees for which certification is required under subsection (a). The Secretary shall update the supplementary ethics guidance not less than once every 3 years thereafter.

SEC. 4546. ABOLISHMENT OF MINERALS MANAGEMENT SERVICE.

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

(b) COMPLETED ADMINISTRATIVE ACTIONS.—

(1) IN GENERAL.—Completed administrative actions of the Minerals Management Service shall not be affected by the enactment of this Act, but shall continue in effect according to their terms until amended, modified, superseded, terminated, set aside, or revoked in accordance with law by an officer of the United States or a court of competent jurisdiction, or by operation of law.

(2) COMPLETED ADMINISTRATIVE ACTION DEFINED.—For purposes of paragraph (1), the term ''completed administrative action'' includes orders, determinations, memoranda of understanding, memoranda of agreements, rules, regulations, personnel actions, permits, agreements, grants, contracts, certificates, licenses, registrations, and privileges.

(c) PENDING PROCEEDINGS.—Subject to the authority of the Secretary of the Interior and the officers of the Department of the Interior under this subtitle—

(1) pending proceedings in the Minerals Management Service, including notices of proposed rule-

making, and applications for licenses, permits, certificates, grants, and financial assistance, shall continue, notwithstanding the enactment of this subtitle or the vesting of functions of the Service in another agency, unless discontinued or modified under the same terms and conditions and to the same extent that such discontinuance or modification could have occurred if this subtitle had not been enacted; and

(2) orders issued in such proceedings, and appeals therefrom, and payments made pursuant to such orders, shall issue in the same manner and on the same terms as if this subtitle had not been enacted, and any such orders shall continue in effect until amended, modified, superseded, terminated, set aside, or revoked by an officer of the United States or a court of competent jurisdiction, or by operation of law.

(d) PENDING CIVIL ACTIONS.—Subject to the authority of the Secretary of the Interior or any officer of the Department of the Interior under this subtitle, pending civil actions shall continue notwithstanding the enactment of this subtitle, and in such civil actions, proceedings shall be had, appeals taken, and judgments rendered and enforced in the same manner and with the same effect as if such enactment had not occurred.

(e) REFERENCES.—References relating to the Minerals Management Service in statutes, Executive orders, rules, regulations, directives, or delegations of authority that precede the effective date of this Act are deemed to refer, as appropriate, to the Department, to its officers, employees, or agents, or to its corresponding organizational units or functions. Statutory reporting requirements that applied in relation to the Minerals Management Service immediately before the effective date of this subtitle shall continue to apply.

SEC. 4547. CONFORMING AMENDMENTS TO EXECUTIVE SCHEDULE PAY RATES.

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

''Under Secretary for Energy, Lands, and Minerals, Department of the Interior.''.

(b) ASSISTANT SECRETARIES.—Section 5315 of title 5, United States Code, is amended by striking ''Assistant Secretaries of the Interior (6).'' and inserting the following:

''Assistant Secretaries, Department of the Interior (7).''.

(c) DIRECTORS.—Section 5316 of title 5, United States Code, is amended by striking ''Director, Bureau of Mines, Department of the Interior.'' and inserting the following new items:

''Director, Bureau of Ocean Energy, Department of the Interior.

''Director, Ocean Energy Safety Service, Department of the Interior.

''Director, Office of Natural Resources Revenue, Department of the Interior.''.

SEC. 4548. OUTER CONTINENTAL SHELF ENERGY SAFETY ADVISORY BOARD.

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

(1) to provide the Secretary and the Directors established by this Act with independent scientific and technical advice on safe, responsible, and timely mineral and renewable energy exploration, development, and production activities; and

(2) to review operations of the National Offshore Energy Health and Safety Academy established under section 4543(d), including submitting to the Secretary recommendations of curriculum to

ensure training scientific and technical advancements.

(b) MEMBERSHIP.—

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

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

(B) must have significant scientific, engineering, management, and other credentials and a history of working in the field related to safe energy exploration, development, and production activities.

(2) CONSULTATION AND NOMINATIONS.—The Secretary shall consult with the National Academy of Sciences and the National Academy of Engineering to identify potential candidates for the Board and shall take nominations from the public.

(3) 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.

(4) BALANCE.—In appointing members to the Board, the Secretary shall ensure a balanced representation of industry and research interests.

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

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

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

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

(2) as appropriate, recommends modifications to the regulations issued under this subtitle to ensure adequate protection of safety and the environment, including recommendations on how to reduce regulations and administrative actions that are duplicative or unnecessary.

(f) REPORTS.—Reports of the Board shall be submitted by the Board to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate and made available to the public in electronically accessible form.

(g) 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 Government serving without pay.

SEC. 4549. OUTER CONTINENTAL SHELF INSPECTION FEES.

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

''(g) INSPECTION FEES.—

''(1) ESTABLISHMENT.—The Secretary of the Interior shall collect from the operators of facilities subject to inspection under subsection (c) non-refundable fees for such inspections—

''(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.

''(2) OCEAN ENERGY SAFETY 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 all amounts collected as fees under paragraph (1) and which shall be available as provided under paragraph (3).

''(3) AVAILABILITY OF FEES.—

''(A) IN GENERAL.—Notwithstanding section 3302 of title 31, United States Code, all amounts deposited in the Fund—

''(i) shall be credited as offsetting collections;

''(ii) shall be available for expenditure for purposes of carrying out inspections of outer Continental Shelf facilities (including mobile offshore drilling units) and the ad-

ministration of the inspection program under this section;

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

"(iv) shall remain available until expended.

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

"(4) INITIAL FEES.—Fees shall be established under this subsection for the fiscal year in which this subsection takes effect and the subsequent 10 years, and shall not be raised without advise and consent of the Congress, except as determined by the Secretary to be appropriate as an adjustment equal to the percentage by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment exceeds the Consumer Price Index for the month of June of the calendar year in which the claim was determined or last adjusted.

''(5) ANNUAL FEES.—Annual fees shall be collected under this subsection for facilities that are above the waterline, excluding drilling rigs, and are in place at the start of the fiscal year. Fees for fiscal year 2014 shall be—

''(A) $10,500 for facilities with no wells, but with processing equipment or gathering lines;

''(B) $17,000 for facilities with 1 to 10 wells, with any combination of active or inactive wells; and

''(C) $31,500 for facilities with more than 10 wells, with any combination of active or inactive wells.

''(6) FEES FOR DRILLING RIGS.—Fees for drilling rigs shall be assessed under this subsection for all inspections completed in fiscal years 2014 through 2023. Fees for fiscal year 2014 shall be—

''(A) $30,500 per inspection for rigs operating in water depths of 1,000 feet or more; and

''(B) $16,700 per inspection for rigs operating in water depths of less than 1,000 feet.

''(7) BILLING.—The Secretary shall bill designated operators under paragraph (5) within 60

days after the date of the inspection, with payment required within 30 days of billing. The Secretary shall bill designated operators under paragraph (6) within 30 days of the end of the month in which the inspection occurred, with payment required within 30 days after billing.

''(8) SUNSET.—No fee may be collected under this subsection for any fiscal year after fiscal year 2023.

''(9) ANNUAL REPORTS.—

''(A) IN GENERAL.—Not later than 60 days after the end of each fiscal year beginning with fiscal year 2015, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report on the operation of the Fund during the fiscal year.

''(B) CONTENTS.—Each report shall include, for the fiscal year covered by the report, the following:

''(i) A statement of the amounts deposited into the Fund.

''(ii) A description of the expenditures made from the Fund for the fiscal year, in-

cluding the purpose of the expenditures and the additional hiring of personnel.

''(iii) A statement of the balance remaining in the Fund at the end of the fiscal year.

''(iv) An accounting of pace of permit approvals.

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

''(vi) Recommendations to increase the efficacy and efficiency of offshore inspections.

''(vii) Any corrective actions levied upon offshore inspectors as a result of any form of misconduct.''.

SEC. 4550. PROHIBITION ON ACTION BASED ON NATIONAL OCEAN POLICY DEVELOPED UNDER EXECUTIVE ORDER NO. 13547.

(a) PROHIBITION.—The Bureau of Ocean Energy and the Ocean Energy Safety Service may not develop,

propose, finalize, administer, or implement, any limitation on activities under their jurisdiction as a result of the coastal and marine spatial planning component of the National Ocean Policy developed under Executive Order No. 13547.

(b) REPORT ON EXPENDITURES.—Not later than 60 days after the date of enactment of this Act, the President shall submit a report to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate identifying all Federal expenditures in fiscal years 2011, 2012, 2013, and 2014, by the Bureau of Ocean Energy and the Ocean Energy Safety Service and their predecessor agencies, by agency, account, and any pertinent subaccounts, for the development, administration, or implementation of the coastal and marine spatial planning component of the National Ocean Policy developed under Executive Order No. 13547, including staff time, travel, and other related expenses.

CHAPTER 5—UNITED STATES TERRITORIES

SEC. 4551. APPLICATION OF OUTER CONTINENTAL SHELF LANDS ACT WITH RESPECT TO TERRITORIES OF THE UNITED STATES.

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

(1) in paragraph (a), by inserting after ''control'' the following: ''or lying within the United States exclusive economic zone and the Continental Shelf adjacent to any territory of the United States'';

(2) in paragraph (p), by striking ''and'' after the semicolon at the end;

(3) in paragraph (q), by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(r) The term 'State' includes each territory of the United States.''.

CHAPTER 6—MISCELLANEOUS PROVISIONS

SEC. 4561. RULES REGARDING DISTRIBUTION OF REVENUES UNDER GULF OF MEXICO ENERGY SECURITY ACT OF 2006.

(a) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of the Interior shall issue rules to provide more clarity, certainty, and stability to the revenue streams contemplated by the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note).

(b) CONTENTS.—The rules shall include clarification of the timing and methods of disbursements of funds under section 105(b)(2) of such Act.

SEC. 4562. AMOUNT OF DISTRIBUTED QUALIFIED OUTER CONTINENTAL SHELF REVENUES.

Section 105(f)(1) of the Gulf of Mexico Energy Security Act of 2006 (title I of division C of Public Law 109–432; 43 U.S.C. 1331 note) shall be applied by substituting ''2024, and shall not exceed $999,999,999 for each of fiscal years 2025 through 2056'' for ''2055''.

CHAPTER 7—JUDICIAL REVIEW

SEC. 4571. TIME FOR FILING COMPLAINT.

(a) IN GENERAL.—Any cause of action that arises from a covered energy decision must be filed not later than

the end of the 60-day period beginning on the date of the covered energy decision. Any cause of action not filed within this time period shall be barred.

(b) EXCEPTION.—Subsection (a) shall not apply to a cause of action brought by a party to a covered energy lease.

SEC. 4572. DISTRICT COURT DEADLINE.

(a) IN GENERAL.—All proceedings that are subject to section 4571—

(1) shall be brought in the United States district court for the district in which the Federal property for which a covered energy lease is issued is located or the United States District Court of the District of Columbia;

(2) shall be resolved as expeditiously as possible, and in any event not more than 180 days after such cause or claim is filed; and

(3) shall take precedence over all other pending matters before the district court.

(b) FAILURE TO COMPLY WITH DEADLINE.—If an interlocutory or final judgment, decree, or order has not been issued by the district court by the deadline described under this section, the cause or claim shall be dismissed with prejudice and all rights relating to such cause or claim shall be terminated.

SEC. 4573. ABILITY TO SEEK APPELLATE REVIEW.

An interlocutory or final judgment, decree, or order of the district court in a proceeding that is subject to section 4571 may be reviewed by the U.S. Court of Appeals for the District of Columbia Circuit. The D.C. Circuit shall resolve any such appeal as expeditiously as possible and, in any event, not more than 180 days after such interlocutory or final judgment, decree, or order of the district court was issued.

SEC. 4574. LIMITATION ON SCOPE OF REVIEW AND RELIEF.

(a) ADMINISTRATIVE FINDINGS AND CONCLUSIONS.—In any judicial review of any Federal action under this chapter, any administrative findings and conclusions relating to the challenged Federal action shall be presumed to be correct unless shown otherwise by clear and convincing evidence contained in the administrative record.

(b) LIMITATION ON PROSPECTIVE RELIEF.—In any judicial review of any action, or failure to act, under this chapter, the Court shall not grant or approve any prospective relief unless the Court finds that such relief is narrowly drawn, extends no further than necessary to correct the violation of a Federal law requirement, and is the least intrusive means necessary to correct the violation concerned.

SEC. 4575. LEGAL FEES.

Any person filing a petition seeking judicial review of any action, or failure to act, under this chapter who is not a prevailing party shall pay to the prevailing parties (including intervening parties), other than the United States, fees and other expenses incurred by that party in connection with the judicial review, unless the Court finds that the position of the person was substantially justified or that special circumstances make an award unjust.

SEC. 4576. EXCLUSION.

This chapter shall not apply with respect to disputes between the parties to a lease issued pursuant to an authorizing leasing statute regarding the obligations of such lease or the alleged breach thereof.

SEC. 4577. DEFINITIONS.

In this chapter, the following definitions apply:

(1) COVERED ENERGY DECISION.—The term ''covered energy decision'' means any action or decision by a Federal official regarding the issuance of a covered energy lease.

(2) COVERED ENERGY LEASE.—The term ''covered energy lease'' means any lease under this subtitle or under an oil and gas leasing program under this subtitle.

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