

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 3408) TO SET CLEAR RULES FOR THE DEVELOPMENT OF UNITED STATES OIL SHALE RESOURCES, TO PROMOTE SHALE TECHNOLOGY RESEARCH AND DEVELOPMENT, AND FOR OTHER PURPOSES; PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 3813) TO AMEND TITLE 5, UNITED STATES CODE, TO SECURE THE ANNUITIES OF FEDERAL CIVILIAN EMPLOYEES, AND FOR OTHER PURPOSES; AND PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 7) TO AUTHORIZE FUNDS FOR FEDERAL-AID HIGHWAY, PUBLIC TRANSPORTATION, AND HIGHWAY AND MOTOR CARRIER SAFETY PROGRAMS, AND FOR OTHER PURPOSES

FEBRUARY 14, 2012.—Referred to the House Calendar and ordered to be printed

Mr. WEBSTER, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 547]

The Committee on Rules, having had under consideration House Resolution 547, by a record vote of 8 to 4, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 3408, the Protecting Investment in Oil Shale the Next Generation of Environmental, Energy, and Resource Security Act, under a structured rule. The resolution provides one hour of general debate with 40 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Natural Resources and 20 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Energy and Commerce. The resolution waives all points of order against consideration of the bill. The resolution provides that an amendment in the nature of a substitute consisting of the text of titles XIV and XVII of Rules Committee Print 112-14 shall be considered as adopted, and provides that the bill, as amended, shall be considered as read. The resolution waives all points of order against provisions in the bill, as amended. The resolution makes in order only those further amendments to H.R. 3408 printed in Part A of this report. Each such amendment may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time speci-

fied in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The resolution waives all points of order against the amendments printed in Part A of this report. The resolution provides one motion to recommit H.R. 3408 with or without instructions.

The resolution also provides for consideration of H.R. 3813, Securing Annuities for Federal Employees Act of 2012, under a structured rule. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Oversight and Government Reform. The resolution waives all points of order against consideration of the bill. The resolution provides that an amendment in the nature of a substitute consisting of the text of title XVI of Rules Committee Print 112–14 shall be considered as adopted, and provides that the bill, as amended, shall be considered as read. The resolution waives all points of order against provisions in the bill, as amended. The resolution makes in order only those further amendments to H.R. 3813 printed in Part B of this report. Each such amendment may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The resolution waives all points of order against the amendments printed in Part B of this report. The resolution provides one motion to recommit H.R. 3813 with or without instructions.

The resolution further provides for general debate of H.R. 7, the American Energy and Infrastructure Jobs Act of 2012. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Transportation and Infrastructure. The resolution waives all points of order against consideration of H.R. 7. The resolution provides that an amendment in the nature of a substitute consisting of the text of titles I through XIII and XV of Rules Committee Print 112–14 shall be considered as adopted. The resolution provides that no further consideration of the bill shall occur except pursuant to a subsequent order of the House.

The resolution directs the Clerk to retain title and section designations as they appear in Rules Committee Print 112–14 when preparing an amendment in the nature of a substitute to H.R. 7, H.R. 3408, and H.R. 3813.

The resolution authorizes the Clerk to make technical and conforming changes to amendatory instructions in the engrossment of H.R. 3408 and H.R. 3813.

The resolution directs the Clerk to, in the engrossment of H.R. 7, add the texts of H.R. 3408 and H.R. 3813, as passed by the House, retaining the title and section designations as they appear in Rules Committee Print 112–14 to the extent possible, and to make technical and conforming changes.

The resolution provides that upon the addition of the text of H.R. 3408 or H.R. 3813, as passed by the House, to the engrossment of

H.R. 7, H.R. 3408 or H.R. 3813 (as the case may be) shall be laid on the table.

Finally, the resolution Authorizes the chair of each of the following committees to file a supplemental report to accompany any of the following measures: Natural Resources, with respect to H.R. 3407, 3408, and 3410; Ways and Means, with respect to H.R. 3864; and Oversight and Government Reform, with respect to H.R. 3813.

EXPLANATION OF WAIVERS

Although the resolution waives all points of order against consideration of H.R. 3408, the Committee is not aware of any points of order. The waiver of all points of order is prophylactic in nature.

Although the resolution waives all points of order against provisions in H.R. 3408, as amended, the Committee is not aware of any points of order. The waiver of all points of order is prophylactic in nature.

The waiver of all points of order against consideration of H.R. 3813 includes a waiver of the following: Section 303(a) of the Congressional Budget Act, prohibiting consideration of legislation, as reported, providing new budget authority, change in revenues, change in public debt, new entitlement authority, or new credit authority for a fiscal year until the budget resolution for that year has been agreed to; and, clause 3(c)(4) of rule XIII, requiring the inclusion of general performance goals and objectives in a committee report.

Although the resolution waives all points of order against provisions in H.R. 3813, as amended, the Committee is not aware of any points of order. The waiver of all points of order is prophylactic in nature.

The waiver of all points of order against consideration of H.R. 7 includes a waiver of the following: Section 303(a) of the Congressional Budget Act, prohibiting consideration of legislation, as reported, providing new budget authority, change in revenues, change in public debt, new entitlement authority, or new credit authority for a fiscal year until the budget resolution for that year has been agreed to; and, clause 10 of rule XXI, prohibiting the consideration of a bill if it has the net effect of increasing mandatory spending over the five- or ten-year period.

While the resolution contemplates the engrossment of multiple measures that when combined produce a score that does not violate clause 10(a) of rule XXI, H.R. 7 does not technically qualify for combined scoring under clause 10(b) of rule XXI, because the amendments will appear other than at the end of the object which is intended to be offset.

Although the rule waives all points of order against the amendments printed in Part A and Part B of this report, the Committee is not aware of any points of order against the amendments. The waivers of all points of order are prophylactic in nature.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 190

Motion by Mr. Hastings of Florida to report open rules for consideration of H.R. 3408, H.R. 3813, and H.R. 7. Defeated: 4–8

Majority Members	Vote	Minority Members	Vote
Mr. Sessions	Nay	Ms. Slaughter	Yea
Ms. Foxx	Nay	Mr. McGovern	Yea
Mr. Bishop of Utah	Nay	Mr. Hastings of Florida	Yea
Mr. Woodall	Nay	Mr. Polis	Yea
Mr. Nugent	Nay		
Mr. Scott of South Carolina	Nay		
Mr. Webster	Nay		
Mr. Dreier, Chairman	Nay		

Rules Committee record vote No. 191

Motion by Mr. McGovern to make in order and provide the appropriate waivers for amendment #135 to H.R. 3408, offered by Rep. McGovern (MA), which would reduce the federal deficit by \$40 billion by eliminating subsidies to oil companies. Defeated: 4–8

Majority Members	Vote	Minority Members	Vote
Mr. Sessions	Nay	Ms. Slaughter	Yea
Ms. Foxx	Nay	Mr. McGovern	Yea
Mr. Bishop of Utah	Nay	Mr. Hastings of Florida	Yea
Mr. Woodall	Nay	Mr. Polis	Yea
Mr. Nugent	Nay		
Mr. Scott of South Carolina	Nay		
Mr. Webster	Nay		
Mr. Dreier, Chairman	Nay		

Rules Committee record vote No. 192

Motion by Mr. McGovern to make in order and provide the appropriate waivers for amendment #135 to H.R. 7, offered by Rep. McGovern (MA), which would reduce the federal deficit by \$40 billion by eliminating subsidies to oil companies. Defeated: 4–8

Majority Members	Vote	Minority Members	Vote
Mr. Sessions	Nay	Ms. Slaughter	Yea
Ms. Foxx	Nay	Mr. McGovern	Yea
Mr. Bishop of Utah	Nay	Mr. Hastings of Florida	Yea
Mr. Woodall	Nay	Mr. Polis	Yea
Mr. Nugent	Nay		
Mr. Scott of South Carolina	Nay		
Mr. Webster	Nay		
Mr. Dreier, Chairman	Nay		

Rules Committee record vote No. 193

Motion by Mr. McGovern to provide for consideration of amendment #135, offered by Rep. McGovern (MA), as a free-standing bill. Defeated: 4–8

Majority Members	Vote	Minority Members	Vote
Mr. Sessions	Nay	Ms. Slaughter	Yea
Ms. Foxx	Nay	Mr. McGovern	Yea
Mr. Bishop of Utah	Nay	Mr. Hastings of Florida	Yea
Mr. Woodall	Nay	Mr. Polis	Yea
Mr. Nugent	Nay		
Mr. Scott of South Carolina	Nay		
Mr. Webster	Nay		
Mr. Dreier, Chairman	Nay		

Rules Committee record vote No. 194

Motion by Mr. Sessions to report the rule. Adopted: 8–4

Majority Members	Vote	Minority Members	Vote
Mr. Sessions	Yea	Ms. Slaughter	Nay
Ms. Foxx	Yea	Mr. McGovern	Nay
Mr. Bishop of Utah	Yea	Mr. Hastings of Florida	Nay
Mr. Woodall	Yea	Mr. Polis	Nay
Mr. Nugent	Yea		
Mr. Scott of South Carolina	Yea		
Mr. Webster	Yea		
Mr. Dreier, Chairman	Yea		

SUMMARY OF THE AMENDMENTS IN PART A MADE IN ORDER

1. Eshoo (CA): Would require the Federal Energy Regulatory Commission to review the results of the Pipeline and Hazardous Materials Safety Administration (PHMSA) study, as required by the bipartisan pipeline safety bill (P.L. 112–90), before issuing a permit for the Keystone XL pipeline. (10 minutes)

2. Markey, Edward (MA), Cohen (TN), Welch (VT), Connolly (VA): Would ensure that if the Keystone XL pipeline is built, the oil that it transports to the Gulf of Mexico and the fuels made from that oil remain in this country to benefit Americans. Would allow the President to waive this requirement if it can be shown that an export of the oil or fuels won't increase our dependence on oil or fuels we buy from hostile nations, that prices for refiners and consumers won't go up if the export occurs, or if an export is needed to comply with any international treaties or other agreements we have to export oil or fuels. (10 minutes)

3. Rush (IL): Would amend Title XIV [KEYSTONE XL PIPELINE] to prohibit the issuance of a permit absent conditions that restrict the ability of the permit recipient from initiating or threatening to initiate proceedings to invoke the power of eminent domain against the will of a property's owner for the purposes of constructing or operating the Keystone XL pipeline. (10 minutes)

4. Doyle (PA), Murphy, Christopher (CT): Would require that a permit for the Keystone XL pipeline is not to be issued or deemed issued unless the permit applicant can certify and provide adequate documentation to FERC that at least 75% of the iron and steel to be used in domestic portion of the pipeline is produced in North America. (10 minutes)

5. Polis (CO): Would strike subtitle A of title XVII and provides a five year window offset through increasing the federal share of drilling revenue. (10 minutes)

6. Hastings, Doc (WA): Would change the underlying bill's requirement that the Department of the Interior substitute two new lease blocks for each one lease block that is deferred from a lease sale at the request of the Department of Defense, to replace each deferred lease block with one new lease block. Would also call attention to the existing authority under the Outer Continental Shelf Lands Act for the President to designate National Defense Areas on the outer Continental Shelf that are restricted from exploration and operation. The amendment would also require the North Aleutian Basin lease sale to be conducted by 2015 rather than one year after enactment of the Act. (10 minutes)

7. Capps (CA): Would strike Section 17304, relating to oil and gas lease sales in the Southern California planning area, and part 4, relating to OCS revenue sharing with coastal states. (10 minutes)

8. Bilirakis (FL): Would require the Secretary to conduct an economic impact survey to determine the economic effects that lease sales within 100 miles of the coast of Florida will have on the Florida fishing and tourism industries. (10 minutes)

9. Bishop, Tim (NY), Crowley (NY), Rangel (NY), Pascrell (NJ), Pingree (ME): Would prohibit oil and natural gas lease sales in the northeast U.S. (10 minutes)

10. Richmond (LA): Would allow oil and gas revenues to be used for coastal wetlands conservation, coastal restoration, hurricane protection, or infrastructure projects directly impacted by coastal wetland losses. Currently, H.R. 7 contains a prohibition on how states can use oil and gas revenues. Energy producing states use offshore oil and gas revenues to fund their required state cost share of hurricane protection and coastline restoration programs. (10 minutes)

11. Landry (LA), Richmond (LA): Would raise the Gulf of Mexico Energy Security Act cap to \$750 million per year starting in year 2023 until 2055. The amendment would keep the \$500 million cap per year in place through year 2022. (10 minutes)

12. Deutch (FL): Would require a person to include in the application for a drilling lease an estimate of the economic impact, including job losses, resulting from a worst-case discharge of oil from facilities operating under the lease. (10 minutes)

13. Thompson, Mike (CA), Woolsey (CA): Would clarify that the legislation does not allow for oil and gas drilling on the northern coast of California. (10 minutes)

14. Holt (NJ), Bass (NH), Dingell (MI), Dold (IL), Gerlach (PA), Murphy, Christopher (CT), Kind (WI): Would affirm that nothing in the underlying bill will affect funding for the Land and Water Conservation Fund (LWCF). (10 minutes)

15. Hanabusa (HI): Would require that offshore oil and gas leases contain specific safety requirements. (10 minutes)

16. Hastings, Doc (WA): Would streamline the NEPA process to allow for expedited development of renewable energy projects on federal lands and waters. (10 minutes)

17. Markey, Edward (MA): Would expand on the oil export ban already included in the Arctic drilling subtitle (Sec. 17706) to prohibit export of any natural gas produced pursuant to a lease issued under Title XVII of this Act. (10 minutes)

18. Markey, Edward (MA): Would require companies holding defective leases which allow them to drill on public lands off-shore without paying a royalty, to renegotiate those leases prior to bidding on new leases issued pursuant to Title XVII of this Act. (10 minutes)

19. Labrador (ID): Would minimize NEPA requirements for a geothermal exploration test project so a project can quickly move forward if resources are found. (10 minutes)

20. Scalise (LA), Bonner (AL), Landry (LA), Miller, Jeff (FL), Palazzo (MS), Southerland (FL), Olson (TX), Richmond (LA): Would dedicate Clean Water Act penalties associated with the Deepwater

Horizon disaster to the Gulf Coast Restoration Trust Fund. (10 minutes)

SUMMARY OF THE AMENDMENTS IN PART B MADE IN ORDER

1. Issa (CA): Manager's Amendment. Would ensure the bill achieves the intended discretionary savings. (10 minutes)

2. Lynch (MA): Would prevent the main provisions of Title XVI of H.R. 7, pertaining to increased retirement contributions for federal workers, from going into effect while federal employees are operating under a pay freeze. Would also exclude Members of Congress from receiving relief from the increased retirement contributions during years in which federal employees are subject to a pay freeze. (10 minutes)

3. Nugent (FL): Would allow members of Congress to opt-out of participating in the Federal Employees Retirement System. It also would allow members to contribute to the Thrift Savings Plan without receiving a federal match to their contributions. (10 minutes)

PART A—TEXT OF AMENDMENTS MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ESHOO OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 14003(a), add at the end the following:

(3) ENSURING PUBLIC SAFETY.—Notwithstanding paragraphs (1) and (2), a permit shall not be issued or deemed to have been issued under this subsection until the Federal Energy Regulatory Commission examines and determines the relevance to the Keystone XL pipeline of the report issued by the Pipeline and Hazardous Materials Safety Administration, pursuant to the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Public Law 112–90), describing the results of its review of hazardous liquid pipeline regulations and whether such regulations are sufficient to ensure the safety of pipelines used for the transportation of diluted bitumen.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MARKEY OF MASSACHUSETTS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 903, after line 22, insert the following new paragraph:

(3) ENERGY SECURITY.—Notwithstanding paragraph (1), the Federal Energy Regulatory Commission shall require every permit issued under this Act to include provisions that ensure that any crude oil and bitumen transported by the Keystone XL pipeline, and all refined petroleum fuel products whose origin was via importation of crude oil or bitumen by the Keystone XL pipeline, will be entered into domestic commerce for use as a fuel, or for the manufacture of another product, in the United States. The President may provide for waivers of such requirement in the following situations:

(A) Where the President determines that such a waiver is in the national interest because it—

(i) will not lead to an increase in domestic consumption of crude oil or refined petroleum products obtained from countries hostile to United States inter-

ests or with political and economic instability that compromises energy supply security;

(ii) will not lead to higher costs to refiners who purchase the crude oil than such refiners would have to pay for crude oil in the absence of such a waiver; and

(iii) will not lead to higher gasoline costs to consumers than consumers would have to pay in the absence of such a waiver.

(B) Where an exchange of crude oil or refined product provides for no net loss of crude oil or refined product consumed domestically.

(C) Where a waiver is necessary under the Constitution, a law, or an international agreement.

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE RUSH OF ILLINOIS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 903, after line 22, insert the following new paragraph:

(3) RESTRICTION ON USE OF EMINENT DOMAIN.—Notwithstanding paragraphs (1) and (2), a permit shall not be issued or deemed to have been issued under this subsection absent a condition that prohibits the permit recipient from initiating or threatening to initiate proceedings to invoke the power of eminent domain for the purpose of taking ownership, rights-of-way, easements, or other access or use of private property in the United States, for purposes of constructing or operating the Keystone XL pipeline, against the will of the property's owner.

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DOYLE OF PENNSYLVANIA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 906, after line 10, insert the following new section:

SEC. 14005. USE OF AMERICAN IRON AND STEEL.

Notwithstanding section 14003(a)(1) and (2), a permit shall not be issued or deemed to have been issued under this title unless the permit applicant certifies and provides adequate documentation to the Federal Energy Regulatory Commission that at least 75 percent of iron and steel to be used in the construction of the domestic portion of the pipeline and related facilities described in section 14002(b) is produced in North America.

5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE POLIS OF COLORADO OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Beginning at page 926, line 3, strike subtitle A of title XVII.
Page 976, line 20, strike “50” and insert “51”.

6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HASTINGS OF WASHINGTON OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 935, line 7, strike “two other lease blocks” and insert “1 other lease block”.

Page 937, after line 13, insert the following:

(3) NATIONAL DEFENSE AREAS.—The United States reserves the right to designate by and through the Secretary of Defense, with the approval of the President, 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)).

Page 941, beginning at line 1, strike “1 year after the date of enactment of this Act” and insert “December 31, 2015”.

Page 945, line 8, strike “two other lease blocks” and insert “1 other lease block”.

Page 946, after line 22, insert the following:

(3) NATIONAL DEFENSE AREAS.—The United States reserves the right to designate by and through the Secretary of Defense, with the approval of the President, 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)).

7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CAPPS OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Beginning on page 938, line 3, strike section 17304.

Beginning on page 948, line 3, strike part 4.

8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BILIRAKIS OF FLORIDA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 944, after line 22, insert the following new subparagraph:

(D) The Secretary shall conduct, and take into consideration the results of, an economic impact survey to determine any adverse economic effects that such lease sales within 100 miles of the western coast of Florida may have on the Florida Gulf coast fishing industry and tourism industry.

9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BISHOP OF NEW YORK OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 948, beginning on line 3, strike part 4.

Page 954, after line 19, insert the following new section:

SEC. 176 ____ . PROHIBITION ON LEASE SALES IN CERTAIN AREAS.

No oil and gas lease sale may be conducted for any 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.)) for which any of the States of New York, New Jersey, Connecticut, Rhode Island, Massachusetts, New Hampshire, or Maine is an affected State under section 2(f)(1) of the Outer Continental Shelf Lands Act (33 U.S.C. 1331(f)(1)).

10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE RICHMOND OF LOUISIANA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 952, beginning on line 17, strike “Federal program” and insert “Federal program, except in the case of a project for coastal wetlands conservation, coastal restoration, or hurricane protection,

or an infrastructure project directly impacted by coastal wetland losses”.

11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LANDRY OF LOUISIANA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Beginning on page 952, line 19, strike section 17501(b) and insert the following:

(b) LIMITATION ON APPLICATION.—Subsection (a) and the amendment made by subsection (a) 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.

(c) 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)) is amended by striking “2055” and inserting “2022, and shall not exceed \$750,000,000 for each of fiscal years 2023 through 2055”.

12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DEUTCH OF FLORIDA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 954, after line 19, insert the following:

SEC. 17603. ESTIMATE OF THE ECONOMIC IMPACT OF WORST-CASE DISCHARGE OF OIL.

A person shall not be eligible for a lease issued under this subtitle (including the amendments made by this subtitle) unless the person includes in the application for the lease an estimate of the economic impact, including job losses, resulting from a worst-case discharge of oil from facilities operated under the lease.

13. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE THOMPSON OF CALIFORNIA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 954, after line 19, insert the following:

SEC. ____ . LIMITATION ON LEASING OFF THE COAST OF NORTHERN CALIFORNIA.

Section 8(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by adding at the end the following:

“(9) No oil and gas lease may be issued under this Act for any area of the outer Continental Shelf for which the State of California is an affected State under section 2(f)(1) and that is located west of Marin, Sonoma, Mendocino, Humboldt, or Del Norte County, California.”.

14. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HOLT OF NEW JERSEY OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 954, after line 19, insert the following:

SEC. 17603. LAND AND WATER CONSERVATION FUND LOCKBOX.

Nothing in this subtitle reduces the amount of revenues received by the United States under oil and gas leases of areas of the Outer Continental Shelf that is available for deposit into the Land and Water Conservation Fund.

15. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HANABUSA OF HAWAII OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 954, after line 19, add the following new section:

SEC. 17603. SAFETY REQUIREMENTS.

The Secretary of the Interior shall require that drilling operations conducted under each lease issued under this subtitle (including the amendments made by this subtitle) meet requirements for—

- (1) third-party certification of safety systems related to well control, such as blowout preventers;
- (2) performance of blowout preventers, including quantitative risk assessment standards, subsea testing, and secondary activation methods;
- (3) independent third-party certification of well casing and cementing programs and procedures;
- (4) mandatory safety and environmental management systems by operators on the outer Continental Shelf (as that term is used in the Outer Continental Shelf Lands Act); and
- (5) procedures and technologies to be used during drilling operations to minimize the risk of ignition and explosion of hydrocarbons.

16. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HASTINGS OF WASHINGTON OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title XVII add the following:

**Subtitle D—Streamlining Federal Review
To Facilitate Renewable Energy Projects**

SEC. 17801. SHORT TITLE.

This subtitle may be cited as the “Cutting Federal Red Tape to Facilitate Renewable Energy Act”.

SEC. 17802. ENVIRONMENTAL REVIEW FOR RENEWABLE ENERGY PROJECTS.

(a) COMPLIANCE WITH NEPA FOR RENEWABLE ENERGY PROJECTS.—In complying with the National Environmental Policy Act of 1969 (41 U.S.C. 4321 et seq.) with respect to any action authorizing or facilitating a proposed renewable energy project, at the election of the applicant a Federal agency shall—

(1) consider only the proposed action and the no action alternative;

(2) analyze only the proposed action and the no action alternative; and

(3) identify and analyze potential mitigation measures only for the proposed action and the no action alternative.

(b) PUBLIC COMMENT.—In complying with the National Environmental Policy Act of 1969 with respect to a proposed renewable energy project, a Federal agency shall only consider public comments that specifically address the proposed action or the no action alternative (or both) and are filed within 30 days after publication of a draft environmental assessment or draft environmental impact statement.

(c) DEFINITIONS.—For purposes of this section:

(1) FEDERAL WATERS.—The term “Federal waters” means waters seaward of the coastal zone (as that term is defined in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453)), to the limits of the exclusive economic zone or the Outer Continental Shelf, whichever is farther.

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

(3) RENEWABLE ENERGY PROJECT.—The term “renewable energy project” means a project on Federal lands or in Federal waters, including a project on the Outer Continental Shelf, using wind, solar power, geothermal power, biomass, or marine and hydrokinetic energy to generate energy, that is constructed encouraging the use of equipment and materials manufactured in the United States.

17. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MARKEY OF MASSACHUSETTS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title XVII add the following:

Subtitle D—Miscellaneous Provisions

SEC. 17801. PROHIBITION ON EXPORT OF GAS.

Each oil and gas lease issued under this title (including the amendments made by this title) shall prohibit the export of gas produced under the lease.

18. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MARKEY OF MASSACHUSETTS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title XVII add the following:

Subtitle D—Miscellaneous Provisions

SEC. 17801 ELIGIBILITY FOR NEW LEASES AND THE TRANSFER OF LEASES.

(a) ISSUANCE OF NEW LEASES.—

(1) IN GENERAL.—Beginning in fiscal year 2013, the Secretary of the Interior shall not accept bids on any new leases offered pursuant to this title (including the amendments made by this title) from a person described in paragraph (2) unless the person has renegotiated each covered lease with respect to which the person is a lessee, to modify the payment responsibilities of the person to require the payment of royalties if the price of oil and natural gas is greater than or equal to the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

(2) PERSONS DESCRIBED.—A person referred to in paragraph (1) is a person that—

(A) is a lessee that—

(i) holds a covered lease on the date on which the Secretary considers the issuance of the new lease; or

(ii) was issued a covered lease before the date of enactment of this Act, but transferred the covered lease to another person or entity (including a subsidiary or affiliate of the lessee) after the date of enactment of this Act; or

(B) any other person that has any direct or indirect interest in, or that derives any benefit from, a covered lease.

(3) MULTIPLE LESSEES.—

(A) IN GENERAL.—For purposes of paragraph (1), if there are multiple lessees that own a share of a covered lease, the Secretary may implement separate agreements with any lessee with a share of the covered lease that modifies the payment responsibilities with respect to the share of the lessee to include price thresholds that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

(B) TREATMENT OF SHARE AS COVERED LEASE.—Beginning on the effective date of an agreement under subparagraph (A), any share subject to the agreement shall not constitute a covered lease with respect to any lessees that entered into the agreement.

(b) TRANSFERS.—A lessee or any other person who has any direct or indirect interest in, or who derives a benefit from, a covered lease shall not be eligible to obtain by sale or other transfer (including through a swap, spinoff, servicing, or other agreement) any new lease offered pursuant to this title (including the amendments made by this title) or the economic benefit of any such new lease, unless the lessee or other person has—

(1) renegotiated each covered lease with respect to which the lessee or person is a lessee, to modify the payment responsibilities of the lessee or person to include price thresholds that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)); or

(2) entered into an agreement with the Secretary to modify the terms of all covered leases of the lessee or other person to include limitations on royalty relief based on market prices that are equal to or less than the price thresholds described in

clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

(c) DEFINITIONS.—In this section—

(1) COVERED LEASE.—The term “covered lease” means a lease for oil or gas production in the Gulf of Mexico that is—

(A) in existence on the date of enactment of this Act;

(B) issued by the Department of the Interior under section 304 of the Outer Continental Shelf Deep Water Royalty Relief Act (43 U.S.C. 1337 note; Public Law 104–58); and

(C) not subject to limitations on royalty relief based on market price that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

(2) LESSEE.—The term “lessee” includes any person or other entity that controls, is controlled by, or is in or under common control with, a lessee.

(3) NEW LEASE.—The term “new lease” means a lease issued in a lease sale under this title or the amendments made by this title.

19. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LABORADOR OF IDAHO OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title XVII add the following:

Subtitle D—Promotion of Timely Exploration for Geothermal Resources

SEC. 17801. SHORT TITLE.

This subtitle may be cited as the “Exploring for Geothermal Energy on Federal Lands Act”.

SEC. 17802. GEOTHERMAL EXPLORATION NOTICE AND EXCLUSION.

(a) DEFINITION OF GEOTHERMAL EXPLORATION TEST PROJECT.—In this section the term “geothermal exploration test project” means the drilling of a well to test or explore for geothermal resources on lands leased by the Department of the Interior for the development and production of geothermal resources, that—

(1) is carried out by the holder of the lease;

(2) causes—

(A) less than 5 acres of soil or vegetation disruption at the location of each geothermal exploration well; and

(B) not more than an additional 5 acres of soil or vegetation disruption during access or egress to the test site;

(3) is developed—

(A) no deeper than 2,500 feet;

(B) less than 8 inches in diameter;

(C) in a manner that does not require off-road motorized access other than to and from the well site along an identified off-road route for which notice is provided to the Secretary of the Interior under subsection (c);

(D) without construction of new roads other than upgrading of existing drainage crossings for safety purposes; and

(E) with the use of rubber-tired digging or drilling equipment vehicles;

(4) is completed in less than 45 days, including the removal of any surface infrastructure from the site; and

(5) requires the restoration of the project site within 3 years to approximately the condition that existed at the time the project began, unless the site is subsequently used as part of energy development on the lease.

(b) NEPA EXCLUSION.—Section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) shall not apply with respect to a project that the Secretary of the Interior determines under subsection (c) is a geothermal exploration test project.

(c) NOTICE OF INTENT; REVIEW AND DETERMINATION.—

(1) REQUIREMENT TO PROVIDE NOTICE.—A leaseholder intending to carry out a geothermal exploration test project shall provide notice to the Secretary of the Interior not later than 30 days prior to the start of drilling under the project.

(2) REVIEW OF PROJECT.—The Secretary shall by not later than 10 days after receipt of a notice of intent under paragraph (1) from a leaseholder—

(A) review the project described in the notice and determine whether it is a geothermal exploration test project under subsection (a); and

(B) notify the leaseholder—

(i) that under subsection (b) of this section, section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) does not apply to the project; or

(ii) that section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) applies to the project, including clear and detailed findings on any deficiencies in the project that preclude the application of subsection (b) of this section to the project.

(3) OPPORTUNITY TO REMEDY.—If the Secretary provides notice under paragraph (2)(B)(ii) that section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) applies to the project, the Secretary shall provide the leaseholder an opportunity to remedy the deficiencies described in the notice prior to the date the leaseholder intended to start of drilling under the project.

20. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SCALISE OF LOUISIANA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill, add the following (and conform the table of contents accordingly):

TITLE XVIII—RESTORE ACT

SECTION 18001. SHORT TITLE.

This title may be cited as the “Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012”.

SEC. 18002. FINDINGS.

Congress finds that—

(1) as a result of decades of oil and gas development in the Gulf of Mexico, producing and nonproducing States in the Gulf Coast region have borne substantial risks of environmental damage and economic harm, all of which culminated with the explosion on, and sinking of, the mobile offshore drilling unit *Deepwater Horizon*;

(2) the discharge of oil in the Gulf of Mexico that began following the explosion on, and sinking of, the mobile offshore drilling unit *Deepwater Horizon* has caused substantial environmental destruction and economic harm to the people and communities of the Gulf Coast region;

(3)(A) in the report entitled “America’s Gulf Coast—A Long Term Recovery Plan after the Deepwater Horizon Oil Spill”, the Secretary of the Navy stated, “Together, the Gulf’s tourism and commercial and recreational fishing industries contribute tens of billions of dollars to the [United States] economy. More than 90 percent of the [N]ation’s offshore crude oil and natural gas is produced in the Gulf, and the [F]ederal treasury receives roughly \$4.5 billion dollars every year from offshore leases and royalties. And it is in the Gulf of Mexico that nearly one third of seafood production in the continental [United States] is harvested. America needs a healthy and resilient Gulf Coast, one that can support the diverse economies, communities, and cultures of the region.”;

(B) to address the needs of the Gulf Coast region, the Secretary of the Navy stated, “It is recommended that the President urge Congress to pass legislation that would dedicate a significant amount of any civil penalties recovered under the [Federal Water Pollution Control Act] from parties responsible for the *Deepwater Horizon* oil spill to those directly impacted by that spill.”; and

(C) to mitigate local challenges and help restore the resiliency of communities adversely affected by the spill, the Secretary of the Navy stated that the legislation described in subparagraph (B) should “[b]uild economic development strategies around community needs, and take particular efforts to address the needs of disadvantaged, underserved, and resource constrained communities”;

(4) in a final report to the President, the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling—

(A) stated, “Estimates of the cost of Gulf restoration, including but not limited to the Mississippi Delta, vary widely, but according to testimony before the Commission, full restoration of the Gulf will require \$15 billion to \$20 bil-

lion: a minimum of \$500 million annually for 30 years.”; and

(B) like the Secretary of the Navy, recommended that, to meet the needs described in subparagraph (A), a substantial portion of applicable penalties under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) be dedicated to long-term restoration of the Gulf of Mexico;

(5) taking into account the risks borne by Gulf Coast States for decades of oil and gas development and the environmental degradation suffered by the Gulf Coast region, the amounts received by the United States as payment of administrative, civil, or criminal penalties in connection with the explosion on, and sinking of, the mobile offshore drilling unit *Deepwater Horizon* should be expended—

(A) to restore the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, barrier islands, dunes, coastal wetlands, and economy of the Gulf Coast; and

(B) to address the associated economic harm suffered by the people and communities of the region;

(6) the projects and programs authorized by this title and the amendments made by this title should be carried out pursuant to contracts awarded in a manner that provides a preference to individuals and entities that reside in, are headquartered in, or are principally engaged in business in a Gulf Coast State; and

(7) Federal, State, and local officials should seek—

(A) to leverage the financial resources made available under this title; and

(B) to the maximum extent practicable, to ensure that projects funded pursuant to this title complement efforts planned or in operation to revitalize the natural resources and economic health of the Gulf Coast region.

SEC. 18003. GULF COAST RESTORATION TRUST FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the “Gulf Coast Restoration Trust Fund” (referred to in this section as the “Trust Fund”), consisting of such amounts as are deposited in the Trust Fund under this section or any other provision of law.

(b) TRANSFERS.—The Secretary of the Treasury shall deposit in the Trust Fund an amount equal to 80 percent of all administrative and civil penalties paid by responsible parties after the date of enactment of this title in connection with the explosion on, and sinking of, the mobile offshore drilling unit *Deepwater Horizon* pursuant to a court order, negotiated settlement, or other instrument in accordance with section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1321).

(c) EXPENDITURES.—Amounts in the Trust Fund, including interest earned on advances to the Trust Fund and proceeds from investment under subsection (d), shall be available, pursuant to a future Act of Congress enacted after the date of enactment of this Act—

(1) for expenditure to restore the Gulf Coast region from the *Deepwater Horizon* oil spill for undertaking projects and programs in the Gulf Coast region that would restore and protect

the natural resources, ecosystems, fisheries, marine and wild-life habitats, beaches, coastal wetlands, and economy of the Gulf Coast region; and

(2) solely to Gulf Coast States and coastal political subdivisions to restore the ecosystems and economy of the Gulf Coast region.

(d) INVESTMENT.—Amounts in the Trust Fund shall be invested in accordance with section 9702 of title 31, United States Code, and any interest on, and proceeds from, any such investment shall be available for expenditure in accordance with this section.

(e) DEFINITIONS.—In this section:

(1) COASTAL POLITICAL SUBDIVISION.—The term “coastal political subdivision” means any local political jurisdiction that is immediately below the State level of government, including a county, parish, or borough, with a coastline that is contiguous with any portion of the United States Gulf of Mexico.

(2) DEEPWATER HORIZON OIL SPILL.—The term “*Deepwater Horizon* oil spill” means the blowout and explosion of the mobile offshore drilling unit *Deepwater Horizon* that occurred on April 20, 2010, and resulting hydrocarbon releases into the environment.

(3) GULF COAST REGION.—The term “Gulf Coast region” means—

(A) in the Gulf Coast States, the coastal zones (as that term is defined in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453)) that border the Gulf of Mexico;

(B) any adjacent land, water, and watersheds, that are within 25 miles of those coastal zones of the Gulf Coast States; and

(C) all Federal waters in the Gulf of Mexico.

(4) GULF COAST STATE.—The term “Gulf Coast State” means any of the States of Alabama, Florida, Louisiana, Mississippi, and Texas.

PART B—TEXT OF AMENDMENTS MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ISSA OF CALIFORNIA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 913, strike line 6 and all that follows through page 915, line 14, and insert the following:

SEC. 16002. RETIREMENT CONTRIBUTIONS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) INDIVIDUAL CONTRIBUTIONS.—Section 8334(c) of title 5, United States Code, is amended—

(A) by striking “(c) Each” and inserting “(c)(1) Each”; and

(B) by adding at the end the following:

“(2)(A) Notwithstanding any other provision of this subsection, the applicable percentage of basic pay under this subsection shall, for purposes of computing an amount—

“(i) for a period in calendar year 2013, 2014, or 2015, be equal to the applicable percentage under this subsection for the preceding calendar year (including as increased under this paragraph), plus an additional 0.5 percentage point; and

“(ii) for a period in any calendar year after 2015, be equal to the applicable percentage under this subsection for calendar year 2015 (as determined under clause (i)).

“(B)(i) Notwithstanding subsection (a)(2), any excess contributions under subsection (a)(1)(A) (including the portion of any deposit under this subsection allocable to excess contributions) shall, if made by an employee of the United States Postal Service or the Postal Regulatory Commission, be deposited to the credit of the Postal Service Fund under section 2003 of title 39, rather than the Civil Service Retirement and Disability Fund.

“(ii) For purposes of this subparagraph, the term ‘excess contributions’ means, with respect to an employee of the United States Postal Service or the Postal Regulatory Commission, the amount by which—

“(I) deductions from basic pay of such employee which are made under subsection (a)(1)(A), exceed

“(II) deductions from basic pay of such employee which would have been so made if subparagraph (A) had not been enacted.”.

(2) GOVERNMENT CONTRIBUTIONS.—Section 8334(a)(1)(B) of title 5, United States Code, is amended—

(A) in clause (i), by striking “Except as provided in clause (ii),” and inserting “Except as provided in clause (ii) or (iii),”; and

(B) by adding at the end the following:

“(iii) The amount to be contributed under clause (i) shall, with respect to any period in any year beginning after December 31, 2012, be determined as if subsection (c)(2) had not been enacted.”.

(b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—

(1) INDIVIDUAL CONTRIBUTIONS.—Section 8422(a)(3) of title 5, United States Code, is amended—

(A) by striking “(3) The” and inserting “(3)(A) The”; and

(B) by adding at the end the following:

“(B) Notwithstanding any other provision of this paragraph, the applicable percentage under this paragraph shall, for purposes of computing any amount—

“(i) for a period in calendar year 2013, 2014, or 2015, be equal to the applicable percentage under this paragraph for the preceding calendar year (including as increased under this subparagraph, if applicable), plus an additional 0.5 percentage point; and

“(ii) for a period in any calendar year after 2015, be equal to the applicable percentage under this paragraph for calendar year 2015 (as determined under clause (i)).”.

(2) GOVERNMENT CONTRIBUTIONS.—Section 8423(a)(2) of title 5, United States Code, is amended—

(A) by striking “(2)” and inserting “(2)(A)”; and

(B) by adding at the end the following:

“(B)(i) For purposes of any period in any year beginning after December 31, 2012, the normal-cost percentage under this subsection shall be determined and applied as if section 8422(a)(3)(B) had not been enacted, subject to clauses (ii) and (iii).

“(ii) Any contributions under this subsection in excess of the amounts which (but for clause (i)) would otherwise have been pay-

able shall be applied toward reducing the unfunded liability of the Civil Service Retirement System.

“(iii) After the unfunded liability of the Civil Service Retirement System has been eliminated, as determined by the Office, Government contributions under this subsection shall be determined and made disregarding this subparagraph.

“(iv) The preceding provisions of this subparagraph shall be disregarded for purposes of determining the contributions payable by the United States Postal Service and the Postal Regulatory Commission.”.

Page 917, after line 4, insert the following new subsection (and make all necessary conforming changes):

(c) GOVERNMENT CONTRIBUTIONS.—Section 8423(a)(2)(B) (as added by section 16002(b)) is amended in clause (i) by striking “section 8422(a)(3)(B)” and inserting “subparagraphs (B) and (C) of section 8422(a)(3)”.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LYNCH OF MASSACHUSETTS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 915, after line 14, insert the following:

(c) EFFECT OF A PAY FREEZE.—

(1) IN GENERAL.—Notwithstanding any other provision of this section, if, in calendar year 2013 or any subsequent calendar year, rates of basic pay are not increased by reason of section 147 of the Continuing Appropriations Act, 2011 (hereinafter in this subsection referred to as a “pay-freeze year”), individual and Government contributions under the provisions of law amended by this section shall be determined in accordance with the following:

(A) In any calendar year after 2012 which is a pay-freeze year, individual and Government retirement contributions shall be determined under the provisions of law which applied in the last year which was not a pay-freeze year.

(B) Beginning in the first year following a pay-freeze year (or, in the case of a series of pay-freeze years, the last of them), individual and Government contributions shall be determined under applicable provisions of law (as amended by this section)—

(i) applying the percentages which would otherwise have applied in the pay-freeze year (or, in the case of a series of pay-freeze years, the first of them); and

(ii) determining the percentages for subsequent years accordingly.

(2) EXCEPTION.—Nothing in paragraph (1) shall affect the application of the amendments made by subsections (a) and (b) with respect to the individual or Government contributions payable in the case of Members of Congress (as defined by sections 8331 and 8401 of title 5, United States Code).

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE NUGENT OF FLORIDA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of title XVI (page 925, after line 21), add the following new section:

SEC. 16007. GRANTING MEMBERS OF CONGRESS THE OPTION TO DECLINE CERTAIN BENEFITS.

(a) **FEDERAL EMPLOYEES RETIREMENT SYSTEM OPT OUT.**—Section 8401(20) of title 5, United States Code, is amended by striking “, and who” and all that follows through “2004”.

(b) **THRIFT SAVINGS PLAN AGENCY CONTRIBUTION OPT OUT.**—Section 8432(c) of such title is amended by adding at the end the following:

“(4)(A) Notwithstanding any other provision of this subsection, contributions under paragraphs (1) through (3) may not be made in the case of any Member who makes an election under subparagraph (B).

“(B) Any Member may, by written notice to the official by whom such Member is paid, elect not to receive contributions under this subsection. An election under this subparagraph—

“(i) shall be effective with respect to pay periods beginning on or after the date on which such election is made; and

“(ii) shall be irrevocable.”.