

REVERSING PRESIDENT OBAMA'S OFFSHORE MORATORIUM ACT

MAY 2, 2011.—Committed to the Committee of the Whole House on the State of the
Union and ordered to be printed

Mr. HASTINGS of Washington, from the Committee on Natural
Resources, submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 1231]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1231) to amend the Outer Continental Shelf Lands Act to require that each 5-year offshore oil and gas leasing program offer leasing in the areas with the most prospective oil and gas resources, to establish a domestic oil and natural gas production goal, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike section 4.

PURPOSE OF THE BILL

The purposes of H.R. 1231 are to amend the Outer Continental Shelf Lands Act to require that each five-year offshore oil and gas leasing program offer leasing in the areas with the most prospective oil and gas resources and to establish a domestic oil and natural gas production goal.

BACKGROUND AND NEED FOR LEGISLATION

The Reversing President Obama's Offshore Moratorium Act will lift the President's ban on new offshore drilling by requiring the

Administration to move forward on American energy production in areas estimated to contain the most oil and natural gas resources. It requires that each five-year leasing plan include lease sales in the areas assessed as containing the most oil and natural gas resources and requires the Secretary of the Interior to establish a production goal when writing a five-year plan. It also allows the governor of a state with resources estimated to be lower than the oil and natural gas target levels to opt-in to a five-year leasing plan.

The 1953 Outer Continental Shelf Lands Act (OCSLA) requires the Secretary of the Interior to prepare an oil and natural gas leasing program for the outer continental shelf (OCS) every five years. The OCS has been divided into 26 planning areas—11 along the Lower 48 states, and 15 along Alaska. Only planning areas that have been included in a current five year plan can be leased for oil and natural gas development.

OCS Moratorium: Beginning in Fiscal Year (FY) 1982, Congress included an annual spending prohibition in appropriations acts preventing the Minerals Management Service (MMS), superseded by the Bureau of Ocean Energy Management Regulation and Enforcement (BOEMRE), from spending money to plan for and conduct oil and natural gas lease sales for significant portions of the OCS. In addition, an overlapping presidential moratorium for these activities was issued in 1990 and extended to 2012 in 1998.

Lifting the OCS Moratoria: At the request of the Alaska delegation, the spending moratoria for the North Aleutian Basin was dropped from the FY2004 and subsequent appropriations acts. In addition, the Gulf of Mexico Energy Security Act of 2006 lifted the Congressional moratoria for the “181 South Area” in the Gulf of Mexico. President George W. Bush lifted the Presidential moratoria for these areas in January 2007. In July 2008 President Bush revoked the Presidential moratorium for the OCS with exceptions for the Eastern Gulf of Mexico and designated Marine Sanctuaries. Congress did not include the annual spending moratorium for leasing activities on the OCS in the Continuing Resolution that funded the government from October 1, 2008, through March 6, 2009.

The actions taken in 2008 by President Bush and Congress to lift the OCS moratoria on oil and natural gas exploration and development was in response to record-high gasoline prices in the spring and summer of 2008. The Bush Administration began work on a new five-year (2010–2015) leasing plan for the OCS to allow oil and natural gas leasing and development activities in the planning areas no longer under moratoria to occur.

Since President Obama took office, he has systematically taken steps to re-impose a new offshore drilling moratorium. He first abandoned the 2010–2015 leasing plan that would have provided for oil and natural gas leasing in the newly opened areas. He postponed and cancelled previously scheduled lease sales in the Gulf of Mexico and Virginia identified in the 2007–2012 five-year leasing plan for the OCS. In December 2010, the President announced a restrictive drilling plan that placed the entire Pacific Coast, the entire Atlantic Coast, the Eastern Gulf of Mexico, and much of Alaska off-limits to future energy production—as it was before record high gasoline prices in 2008 prompted President Bush and Congress to lift the moratoria.

Despite abundant domestic onshore and offshore energy resources, due to development restrictions and the moratorium in the Gulf and other portions of the nation's OCS, the United States continues to import over half of its oil, leaving the nation vulnerable to hostile, unstable foreign countries. For example, in 2009, the United States imported 347,285 thousand barrels of crude oil from Venezuela, 283,091 thousand from Nigeria, and 22,354 thousand barrels from Libya. Over 3 billion barrels of crude oil were imported into the United States in 2009 alone.

Failure to develop our offshore energy resources is costing American jobs, hurting our economy, facilitating our dependence on foreign sources of oil, and denying American taxpayers revenue to help pay down the national debt. According to the American Energy Alliance, permanently lifting the offshore moratoria would result in the creation of 1.2 million private sector U.S. jobs, \$8 trillion in additional economic output (GDP), \$2.2 trillion in total tax receipts, and \$70 billion in additional wages each year.

The President's actions put some of the most promising shallow water energy resources in the world off-limits and pushed domestic oil development into a smaller fraction of the Gulf of Mexico and into deeper water. Domestic exploration and development are an essential component of our nation's energy and economic security. A robust domestic energy industry will create new jobs, generate much-needed revenue to help pay down our national debt, and strengthen our national security by lessening our dependence on foreign countries.

COMMITTEE ACTION

H.R. 1231, the Reversing President Obama's Offshore Moratorium Act, was introduced on March 29, 2011, by Natural Resources Committee Chairman Doc Hastings (R-WA). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On April 6, 2011, the Subcommittee on Energy and Mineral Resources held a hearing on the bill. On April 13, 2011, the Full Natural Resources Committee met to consider the bill. The Subcommittee on Energy and Mineral Resources was discharged by unanimous consent. Congressman Jon Runyan (R-NJ) offered amendment designated 008; the amendment was not adopted by a roll call vote of 15-28, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 1

Meeting on / Amendment: **HR 1231** – Amendment offered by **Mr. Runyan.008** was NOT AGREED TO by a roll call vote of 15 yeas and 28 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>		X	
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK	X			<i>Mr. Lujan, NM</i>		X	
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX	X		
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ	X		
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	15	28	

Congressman Frank Pallone (D–NJ) offered amendment designated 028; the amendment was not adopted by voice vote. Congressman Rush Holt (D–NJ) offered amendment designated 007; the amendment was not adopted by a roll call vote of 12–31, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 2

Meeting on / Amendment: **HR 1231** – Amendment offered by **Mr. Holt.007** was NOT AGREED TO by a roll call vote of 12 yeas and 31 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>		X	
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>		X	
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	12	31	

Congressman Andy Harris (R-MD) offered amendment designated 008; the amendment was not adopted by voice vote. Congresswoman Colleen Hanabusa (D-HI) offered amendment designated 003; the amendment was not adopted by a roll call vote of 14–29, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 3

Meeting on / Amendment: **HR 1231** – Amendment offered by **Mr. Hanabua.003** was NOT AGREED TO by a roll call vote of 14 yeas and 29 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	14	29	

Congressman Edward Markey (D-MA) offered amendment designated 002; the amendment was not adopted by a roll call vote of 13–30, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 4

Meeting on / Amendment: **HR 1231** – Amendment offered by **Mr. Markey.002** was NOT AGREED TO by a roll call vote of 13 yeas and 30 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>		X	
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	13	30	

Congressman John Garamendi (D-CA) offered amendment designated 018; the amendment was not adopted by a roll call vote of 14–29, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 5

Meeting on / Amendment: **HR 1231** – Amendment offered by **Mr. Garamendi.018** was NOT AGREED TO
by a roll call vote of 14 yeas and 29 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	14	29	

Chairman Doc Hastings (R-WA) offered an amendment which was adopted by voice vote. Congressman Edward Markey (D-MA) offered amendment designated 005; the amendment was ruled out of order. Congressman John Garamendi (D-CA) offered amendment designated 019. Congressman Garamendi offered an amendment to the amendment which was adopted by unanimous consent. The amendment, as amended, was ruled out of order. Congressman Edward Markey (D-MA) offered amendment designated 005-2; the amendment was not adopted by a roll call vote of 14-29, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 6

Meeting on / Amendment: **HR 1231** – Amendment offered by **Mr. Markey.005 - 2** was NOT AGREED TO
by a roll call vote of 14 yeas and 29 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	14	29	

Congressman Frank Pallone (D–NJ) offered amendment designated 027; the amendment was ruled out of order. Congressman Frank Pallone (D–NJ) offered amendment designated 030; the amendment was not adopted by a roll call vote of 14–29, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 7

Meeting on / Amendment: **HR 1231** – Amendment offered by **Mr. Pallone.030** was NOT AGREED TO by a roll call vote of 14 yeas and 29 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	14	29	

The bill was then favorably reported, as amended, to the House of Representatives by a roll call vote of 29–14, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 8

Meeting on / Amendment: **HR 1231** – Ordered favorably reported to the House of Representatives, as amended, by a roll call vote of 29 yeas and 14 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman	X			<i>Mr. Heinrich, NM</i>		X	
<i>Mr. Markey, MA Ranking</i>		X		Mr. Benishek, MI	X		
Mr. Young, AK	X			<i>Mr. Lujan, NM</i>		X	
<i>Mr. Kildee, MI</i>		X		Mr. Rivera, FL	X		
Mr. Duncan of TN	X			<i>Mr. Sarbanes, MD</i>		X	
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD	X		
Mr. Gohmert, TX	X			<i>Ms. Sutton, OH</i>		X	
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO	X		
Mr. Bishop, UT	X			<i>Ms. Tsongas</i>		X	
<i>Mr. Pallone, NJ</i>		X		Mr. Gosar, AZ	X		
Mr. Lamborn, CO	X			<i>Mr. Pierluisi, PR</i>		X	
<i>Mrs. Napolitano, CA</i>		X		Mr. Labrador, ID	X		
Mr. Wittman, VA	X			<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>		X		Ms. Noem	X		
Mr. Broun, GA	X			<i>Ms. Hanabusa, HI</i>		X	
<i>Mr. Grijalva, AZ</i>				Mr. Southerland	X		
Mr. Fleming, LA	X			Mr. Flores, TX	X		
<i>Ms. Bordallo, GU</i>		X		Mr. Harris, TX	X		
Mr. Coffman, CO	X			Mr. Landry, LA	X		
<i>Mr. Costa, CA</i>	X			Mr. Fleischmann, TX	X		
Mr. McClintock, CA	X			Mr. Runyan, NJ	X		
<i>Mr. Boren, OK</i>	X			Mr. Johnson, OH	X		
Mr. Thompson, PA	X						
<i>Mr. Sablan, CNMI</i>		X					
Mr. Denham, CA	X						
				TOTALS	29	14	

MAJOR PROVISIONS OF H.R. 1231

Section 2. Outer Continental Shelf leasing program

This section requires each five-year OCS leasing plan to include lease sales in the planning areas estimated to contain the greatest known oil and natural gas resources. For the 2012–2017 leasing plan being written by the Obama Administration, the areas with the greatest known resources are specifically defined as those estimated to contain a minimum of 2.5 billion barrels of oil or 7.5 trillion cubic feet of natural gas. At least 50 percent of the planning area must be made available for leasing in the 2012–2017 five-year OCS leasing plan.

Currently, the Obama Administration’s 2012–2017 draft OCS leasing plan does not include planning areas for possible future lease sales outside of the Western and Central Gulf of Mexico. The requirements to lease in the most prospective offshore areas reverses the Administration’s defacto moratorium on leasing in new planning areas opened in 2008.

A state’s governor may request to opt-in to a five-year leasing plan and if so, the Secretary of the Interior will include a lease sale, or sales, of the state’s offshore area in the plan.

Section 3. Domestic oil and natural gas production goal

This section requires the Secretary of the Interior to establish a production goal when writing a five-year plan. The goal will be the specific amount of oil and natural gas production that is estimated to result from leases issued under the plan. The section establishes the production goal for the 2012–2017 OCS leasing plan being written by the Obama Administration at 3 million barrels of oil per day and 10 billion cubic feet of natural gas per day by 2027. This time frame, 2012–2027, encompasses the five-year OCS leasing plan (2012–2017) and resulting five to ten-year leases issued under the plan. By comparison to current production from the OCS, including this production goal for oil and natural gas in the 2012–2017 five-year plan will yield a tripling of current American offshore production and would reduce foreign imports by nearly one-third.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources’ oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Com-

mittee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

MAY 2, 2011.

Hon. DOC HASTINGS,
Chairman, Committee on Natural Resources,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1231, the Reversing President Obama's Offshore Moratorium Act.

If you wish further details on this estimate, we will be pleased to provide them. The CB0 staff contact is Kathleen Gramp.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 1231—Reversing President Obama's Offshore Moratorium Act

Summary: H.R. 1231 would direct the Department of the Interior (DOI) to auction leases for the development of oil and gas resources in the most geologically productive areas of the Outer Continental Shelf (OCS). For the 2012–2017 leasing period, the bill would require leasing in areas that are projected to contain more than 2.5 billion barrels of oil or 7.5 trillion cubic feet of natural gas. Areas meeting those criteria include the Central, Western, and Eastern Gulf of Mexico; the Beaufort, Chukchi, and North Aleutian areas off Alaska; the North and Mid-Atlantic planning areas; and the Southern California planning area.

Enacting H.R. 1231 would affect direct spending; therefore, pay-as-you-go procedures apply. CB0 estimates that enacting this legislation would reduce direct spending (by increasing offsetting receipts) by about \$350 million over the 2012–2016 period and by \$800 million over the 2012–2021 period. Enacting this legislation would not affect revenues. In addition, CB0 estimates that the administrative costs of implementing the bill would total about \$22 million over the 2011–2016 period, assuming appropriation of the necessary amounts.

H.R. 1231 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1231 is shown in the following table. The costs of this legislation fall within budget function 950 (undistributed off-setting receipts).

	By fiscal year, in millions of dollars—											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012–2016	2012–2021
CHANGES IN DIRECT SPENDING												
Estimated Budget Authority	0	0	0	–100	–250	–300	–150	0	0	0	–350	–800
Estimated Outlays	0	0	0	–100	–250	–300	–150	0	0	0	–350	–800
CHANGES IN SPENDING SUBJECT TO APPROPRIATION												
Estimated Authorization Level	5	5	5	5	5	0	0	0	0	0	25	25
Estimated Outlays	2	5	5	5	5	3	0	0	0	0	22	25

Basis of estimate: For this estimate, CBO assumes that H.R. 1231 will be enacted before the end of fiscal year 2011 and that DOI will conduct the sales of federal leases in the OCS according to the schedule included in the President's budget request for fiscal year 2012. Bonus bids, rental fees, and royalty payments for OCS leases are recorded in the budget as offsetting receipts, which are an offset to direct spending. CBO also assumes the amounts necessary to implement the bill will be appropriated by the beginning of each fiscal year.

Direct spending

The estimated budgetary impact of H.R. 1231 primarily reflects an assumption that leasing activity in areas in the Atlantic and California OCS would increase. CBO estimates that enacting the bill would have no effect on offsetting receipts from areas already included in the administration's leasing plans, such as the Central and Western Gulf of Mexico and the Beaufort and Chukchi Seas. Similarly, while the geologic criteria in this bill would apply to the Eastern Gulf of Mexico, CBO does not expect any leasing to occur in that area over the 2011–2021 period because of the statutory prohibition on such leasing under the Gulf of Mexico Energy Security Act.

CBO's baseline projections assume that areas off the Atlantic and Pacific coasts will not be opened for leasing until after June 30, 2017. Under existing law, the department cannot auction acreage unless it is included in an approved five-year plan. A final leasing plan for the 2012–2017 period has not yet been adopted. However, the President's budget request for 2012 indicated that the Atlantic and Pacific areas are not included in the current scoping process for that plan. As a result, CBO expects that it is unlikely that leasing will occur over the 2012–2017 period under current policies.

Based on information from DOI on the potential oil and gas resources in the Atlantic and Pacific regions, CBO estimates that holding additional lease sales in those areas would increase net offsetting receipts (and thus reduce direct spending) by about \$800 million over the 10-year period. For this estimate, CBO assumes that the department would conduct the consultations and assessments necessary to incorporate the Atlantic and Pacific lease sales into the five-year plan for 2012–2017, which could take at least two years to complete. Given the lead times needed to conduct sales and issue leases, CBO anticipates that proceeds from leasing in those areas probably would be collected after fiscal year 2014.

Spending subject to appropriation

Based on historical spending trends for similar activities, CBO estimates that DOI would spend about \$22 million over the 2012–2016 period to complete the necessary environmental and other assessments necessary to conduct lease sales in the Atlantic and Pacific regions, assuming appropriation of the necessary amounts.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 1231, THE REVERSING PRESIDENT OBAMA'S OFFSHORE MORATORIUM ACT, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON NATURAL RESOURCES ON APRIL 13, 2011

	By fiscal year, in millions of dollars—												
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012–2016	2012–2021
	NET INCREASE OR DECREASE (–) IN THE DEFICIT												
Statutory Pay-As-You-Go Impact	0	0	0	0	–100	–250	–300	–150	0	0	0	–350	–800

Intergovernmental and private-sector impact: H.R. 1230 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Costs: Kathleen Gramp; Impact on State, Local, and Tribal Governments: Melissa Merrell; Impact on the Private Sector: Amy Petz.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

2. Section 308(a) of Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures. According to the Congressional Budget Office, enactment of this bill would reduce direct spending (by increasing offsetting receipts) by about \$350 million over the 2012–2016 period and by \$800 million over the 2012–2021 period. Enacting this legislation would not affect revenues. In addition, CBO estimates that the administrative costs of implementing the bill would total about \$22 million over the 2011–2016 period, assuming appropriation of the necessary amounts.

3. General Performance Goals and Objectives.

This bill does not authorize funding and therefore, clause 3(c)(4) of rule XIII of the Rules of the House of Representatives does not apply.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill,

as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

OUTER CONTINENTAL SHELF LANDS ACT

* * * * *

SEC. 18. OUTER CONTINENTAL SHELF LEASING PROGRAM.—(a) The Secretary, pursuant to procedures set forth in subsections (c) and (d) of this section, shall prepare and periodically revise, and maintain an oil and gas leasing program to implement the policies of this Act. The leasing program shall consist of a schedule of proposed lease sales indicating, as precisely as possible, the size, timing, and location of leasing activity which he determines will best meet national energy needs for the five-year period following its approval or reapproval. Such leasing program shall be prepared and maintained in a manner consistent with the following principles:

(1) * * *

* * * * *

(4)(A) *In each oil and gas leasing program under this section, the Secretary shall make available for leasing and conduct lease sales including—*

(i) 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; and

(ii) any State subdivision of an outer Continental Shelf planning area that the Governor of the State that represents that subdivision requests be made available for leasing.

(B) *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.*

(5)(A) *In the 2012–2017 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”.*

[(b) The leasing program shall include estimates of the appropriations and staff required to—

[(1) obtain resource information and any other information needed to prepare the leasing program required by this section;

[(2) analyze and interpret the exploratory data and any other information which may be compiled under the authority of this Act;

[(3) conduct environmental studies and prepare any environmental impact statement required in accordance with this Act and with section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)); and

[(4) supervise operations conducted pursuant to each lease in the manner necessary to assure due diligence in the exploration and development of the lease area and compliance with the requirement of applicable laws and regulations, and with the terms of the lease.]]

(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) *2012–2017 PROGRAM GOAL.*—*For purposes of the 2012–2017 5-year oil and gas leasing program, the production goal referred to in paragraph (1) shall be an increase by 2027 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.*

* * * * *

DISSENTING VIEWS

We oppose H.R. 1231 because, in seeking to “reverse” a drilling moratorium that does not even exist, the bill will reverse any progress towards safer off-shore energy production.

Section 18(a) of the Outer Continental Shelf Lands Act (OCSLA) (43 U.S.C. 1344) currently requires the Secretary of Interior to maintain an oil and gas leasing program consisting of a schedule of proposed lease sales to meet national energy needs for a five-year period. Section 18(a)(3) specifically requires that leasing be conducted so as to “obtain the proper balance between the potential for environmental damage, the potential for the discovery of oil and gas, and the potential for adverse impact on the coastal zone.”

In sharp contrast to this fundamental requirement for balance, H.R. 1231 would insert provisions into Section 18(a) mandating that the Secretary make available for lease “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” and setting arbitrary triggers that would make broad swaths of the Atlantic and Pacific Coasts open for leasing automatically. The bill would also dictate that the plan include “production goals” that would increase the amount of oil produced per day by at least 3 million barrels and natural gas produced per day by 10 billion cubic feet by 2027.

Current law requires a balancing of energy production and environmental impacts. That balance must be reevaluated in the wake of the BP disaster. H.R. 1231 responds to the devastation caused by that spill by amending the law to further elevate oil and gas production above environmental and other concerns.

None of the justifications offered for taking such drastic steps withstand scrutiny. No moratorium, de facto or otherwise, exists. While a temporary halt to drilling in the aftermath of the BP Deep-water Horizon disaster was an essential measure needed to allow regulators time to ensure that offshore drilling was safe, there is currently no moratorium on offshore drilling. Since October, the Administration has approved 39 shallow-water permits. In February, for the first time, drilling companies demonstrated a capability to respond to a deep-water spill that could establish the new safety standards put in place by the Interior Department; the Department began issuing deep-water permits. Since that time, 10 new deepwater permits have been issued.

The Majority further alleges that energy companies deserve access to large new areas off the East and West Coasts because they have diligently and responsibly developed leases they already hold in the Gulf of Mexico. In fact, energy companies are not producing on thousands of Gulf leases, covering tens of millions of acres. According to data provided to the Committee by the Department of the Interior, oil companies are stockpiling Gulf leases covering

more natural gas and nearly as much oil as could ever be produced by opening up the Atlantic and Pacific Coasts. Granting these companies access to sweeping new areas while they warehouse existing leases in the Gulf cannot be justified.

A third false assertion made by the Majority in offering this legislation is that it would be feasible or even desirable for Congress to mandate specific leasing plan requirements. As written, OCSLA establishes clear, appropriate principles to guide such planning but leaves actual development of the plan to the Interior Department, in consultation with the industry. There is no rationale for stripping these plans of critical flexibility by inserting arbitrary numbers selected by the Republican Majority.

The Majority's zeal for expanding drilling at any cost was laid bare by the votes cast on amendments offered by Democrats. Republicans on the Committee voted in lock step to defeat an amendment offered by Ranking Member Markey and Subcommittee Ranking Member Holt that would have halted new leasing until the industry reduced its annual fatality rate. Rejection of this amendment is egregious given that the BP commission found that the rate of fatalities, per person-hour worked, in U.S. waters is four times higher than in the waters off Europe. An amendment offered by Representative Holt to incentivize oil companies to develop the leases they already hold before awarding them whole new coastlines was also defeated. Even a simple amendment offered by Representative Hanabusa requiring the 5-year plan to identify a "worst-case discharge scenario" so that the public could be on notice of the potential impacts of drilling was rejected by all Republican Committee Members.

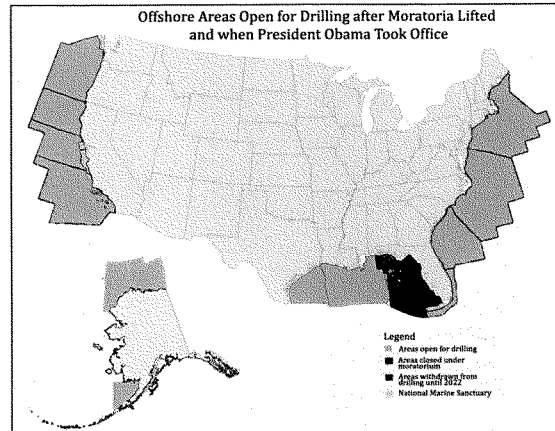
As with the other off-shore drilling measures being proposed by the Majority—H.R. 1229 and H.R. 1230—H.R. 1231 is nothing like it has been described by its proponents. This legislation cannot reverse a moratorium, since one does not exist and it will not reduce the price of oil. Beyond tipping the balance between drilling and protecting the Gulf, H.R. 1231 smashes the scales.

EDWARD J. MARKEY.
 PETER A. DEFazio.
 JOHN P. SARBANES.
 RAÚL M. GRIJALVA.
 DALE E. KILDEE.
 NIKI TSONGAS.
 BETTY SUTTON.
 GREGORIO KILILI CAMACHO
 SABLÁN.
 FRANK PALLONE, JR.
 COLLEEN W. HANABUSA.
 GRACE F. NAPOLITANO.
 ENI F.H. FALEOMAVAEGA.
 BEN RAY LUJÁN.
 JOHN GARAMENDI.
 RUSH HOLT.

APPENDIX

2008

When the moratoria were lifted in 2008, all of the Atlantic Coast, Pacific Coast and areas in Alaska were opened for new offshore drilling. This is how it looked when President Obama took office in January 2009.

2010

President Obama has effectively reinstated the ban on new offshore drilling - placing all of the Atlantic Coast, all of the Pacific Coast, the Eastern Gulf of Mexico and parts of Alaska off-limits to new offshore drilling.



2011

The *Reversing President Obama's Offshore Moratorium Act* would implement a smart drilling plan. It moves forward with offshore drilling in areas containing the most oil and natural gas. Other areas would still be open for drilling if the President chooses to include them in a five-year leasing plan or there is a specific request from a state governor.

Offshore Areas available for Drilling Under the Restarting American Offshore Leasing Now Act
& Reversing Obama's Offshore Moratorium Act

