

PROVIDING FOR CONSIDERATION OF 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

MAY 10, 2011.—Referred to the House Calendar and ordered to be printed

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

R E P O R T

[To accompany H. Res. 257]

The Committee on Rules, having had under consideration House Resolution 257, by a record vote of 7 to 3, 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. 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, 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 Natural Resources. The resolution waives all points of order against consideration of the bill. The resolution provides that the amendment recommended by the Committee on Natural Resources now printed in the bill shall be considered as adopted and 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 amendments printed in 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. All points of order against the amendments

printed in this report are waived. Finally, the resolution provides one motion to recommit with or without instructions.

EXPLANATION OF WAIVERS

The resolution waives all points of order against consideration of the bill. This includes a waiver of clause 3(c)(4) of rule XIII, which requires the inclusion of general performance goals and objectives in a committee report.

Although the rule waives all points of order against provisions in the bill, as amended, the Committee is not aware of any points of order against its provisions. The waiver is prophylactic in nature.

Although the resolution waives all points of order against the amendments printed in this report, the Committee is not aware of any points of order against the amendments and therefore the waiver is 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. 92

Motion by Mr. McGovern to report an open rule. Defeated: 3–6

Majority Members	Vote	Minority Members	Vote
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. Dreier, Chairman	Nay		

Rules Committee record vote No. 93

Motion by Mr. McGovern to amend the rule to make in order and provide the appropriate waivers for amendment No. 20, offered by Rep. Boswell (IA), which would require the Secretary of the Interior to include requirements for any person awarded a lease under the program to give preference to hiring veterans for activities under the lease. Defeated: 3–6

Majority Members	Vote	Minority Members	Vote
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. Dreier, Chairman	Nay		

Rules Committee record vote No. 94

Motion by Mr. McGovern to amend the rule to add a new section at the end of the rule to provide for the immediate consideration, upon the adoption of the rule, of a bill consisting of the text of amendment No. 7, offered by Rep. McGovern under an open rule. Defeated: 3–6

Majority Members	Vote	Minority Members	Vote
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. Dreier, Chairman	Nay		

Rules Committee record vote No. 95

Motion by Mr. Hastings of Florida to amend the rule to make in order and provide the appropriate waivers for amendment No. 19, offered by Rep. Hastings (FL), which would prohibit any lease-sale from going forward where either the National Academy of Science or Intergovernmental Panel on Climate Change has determined that use by human beings of any non-renewable resource expected to be extracted from the subject property contributes to global climate change. Defeated: 3–7

Majority Members	Vote	Minority Members	Vote
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. 96

Motion by Ms. Foxx to report a structured rule. Adopted: 7–3

Majority Members	Vote	Minority Members	Vote
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 AMENDMENTS MADE IN ORDER

1. Hastings (WA): **Manager's Amendment** Would make technical numbering corrections to section 2 of the bill. (10 minutes)

2. Connolly (VA), Scott (VA), Moran (VA): Would clarify that new offshore drilling would not conflict with military operations. (10 minutes)

3. Markey (MA): Would require that new 5-year leasing plans require that companies bidding on new leases first renegotiate any royalty-free leases they own; thus raising more than \$2 billion over 10 years. (10 minutes)

4. Keating (MA): Would require the Secretary to make public information about the lessee's executive bonuses from the most recent quarter. (10 minutes)

5. Tsongas (MA): Would require that all applicants for a drilling permit under a lease issued under H.R. 1231 would have to submit a worst-case scenario oil spill containment and clean-up plan. (10 minutes)

6. Brown (FL): Would make permanent the current moratorium on drilling in the eastern gulf of Mexico that expires in 2022. (10 minutes)

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

8. Inslee (WA): Would require the Washington state Governor and legislature approve any leasing of the Outer Continental Shelf off of Washington state. (10 minutes)

TEXT OF AMENDMENTS MADE IN ORDER

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

Page 3, line 10, strike “(4)” and insert “(5)”.

Page 4, line 6, strike “(5)” and insert “(6)”.

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

Page 3, line 12, insert “, except in locations that would interfere, conflict with, or impede operations of the Armed Forces,” after “conduct lease sales”.

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

Page 4, line 19, strike the closing quotation marks and the second period, and after line 19 insert the following new paragraph:

“(7) ELIGIBILITY FOR NEW LEASES AND THE TRANSFER OF LEASES.—

“(A) ISSUANCE OF NEW LEASES.—

“(i) IN GENERAL.—In each oil and gas leasing program under this section, beginning with the 2012–2017 5-year program, the Secretary of the Interior shall specify that the Secretary will not accept bids on any new leases offered pursuant to this Act 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)).

“(ii) PERSONS DESCRIBED.—A person referred to in clause (i) is a person that—

“(I) is a lessee that—

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

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

“(iii) MULTIPLE LESSEES.—

“(I) IN GENERAL.—For purposes of clause (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)).

“(II) TREATMENT OF SHARE AS COVERED LEASE.—Beginning on the effective date of an agreement under subclause (I), 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 made available in an oil and gas leasing program under this section, or the economic benefit of such a new lease, unless the lessee or other person has—

“(i) 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

“(ii) 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 paragraph—

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

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

“(II) 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

“(III) 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)).

“(ii) 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.

“(iii) NEW LEASE.—The term ‘new lease’ means a lease issued in a lease sale under this Act.

“(iv) SECRETARY.—The term ‘Secretary’ means the Secretary of the Interior.”.

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

Page 4, line 19, strike the closing quotation marks and the second period, and after line 19 insert the following new paragraph:

“(7) DATA REGARDING BONUSES PROVIDED TO EXECUTIVES.—In each oil and gas leasing program under this section, the Secretary shall include requirements under which the Secretary shall make available to the public data provided by each lessee under the program with respect to the bonuses provided to the executives of the lessee from the most recent quarter.”.

5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TSONGAS OF MASSACHUSETTS OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 4, strike the closing quotation marks and second period at line 19, and after line 19 insert the following:

“(7) WORST-CASE CONTAINMENT AND CLEAN-UP PLAN REQUIRED.—The Secretary shall include, in each 5-year oil and gas leasing program, a requirement that each applicant for a permit to drill under a lease issued in a lease sale under the program must include a plan for containment and clean-up of a worst-case oil and gas discharge scenario in activities conducted under the permit, if issued.”.

6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BROWN OF FLORIDA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 4, line 19, strike the closing quotation marks and the second period, and after line 19 insert the following new paragraph:

“(7) MAKING MORATORIUM IN THE EASTERN GULF OF MEXICO PERMANENT.—The Secretary shall not make available for leasing in any oil and gas leasing program under this section any area referred to in section 104(a) 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).”.

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

Page 4, line 19, strike the final closed quotation mark and the following period.

Page 4, after line 19, insert the following new subparagraph:

“(C) Notwithstanding subparagraph (A), the Secretary may not include in any oil and gas leasing program under this paragraph any lease sale in the Northern California Planning Area.”.

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

Page 4, line 19, strike the closing quotation marks and the second period, and after line 19 insert the following new paragraph:

“(7) WASHINGTON STATE APPROVAL REQUIRED.—Under this section, the Secretary shall not make available for leasing for exploration, development, and production of oil and natural gas any area of the outer Continental Shelf off the coast of Washington unless such leasing is approved by the Governor and legislature of the State of Washington.”.