113TH CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPT. 113–262
Part 1

FEDERAL LANDS JOBS AND ENERGY SECURITY ACT

NOVEMBER 12, 2013.—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. 1965]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1965) to streamline and ensure onshore energy permitting, provide for onshore leasing certainty, and give certainty to oil shale development for American energy security, economic development, and job creation, 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 all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Lands Jobs and Energy Security Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

SEC. 3. POLICIES REGARDING BUYING, BUILDING, AND WORKING FOR AMERICA.

(a) CONGRESSIONAL INTENT.—It is the intent of the Congress that—

(1) this Act will support a healthy and growing United States domestic energy sector that, in turn, helps to reinvigorate American manufacturing, transportation, and service sectors by employing the vast talents of United States workers to assist in the development of energy from domestic sources;

(2) to ensure a robust onshore energy production industry and ensure that the benefits of development support local communities, under this Act, the Secretary shall make every effort to promote the development of onshore American energy, and shall take into consideration the socioeconomic impacts, infrastructure requirements, and fiscal stability for local communities located within areas containing onshore energy resources; and

(3) the Congress will monitor the deployment of personnel and material onshore to encourage the development of American manufacturing to enable United States workers to benefit from this Act through good jobs and careers, as well as the establishment of important industrial facilities to support expanded access to American resources.

(b) REQUIREMENT.—The Secretary of the Interior shall when possible, and practicable, encourage the use of United States workers and equipment manufactured in the United States in all construction related to mineral resource development under this Act.

TITLE I—ONSHORE OIL AND GAS PERMIT STREAMLINING

SEC. 101. SHORT TITLE.

This title may be cited as the "Streamlining Permitting of American Energy Act of 2013".

Subtitle A—Application for Permits to Drill Process Reform

SEC. 111. PERMIT TO DRILL APPLICATION TIMELINE.

Section 17(p)(2) of the Mineral Leasing Act (30 U.S.C. 226(p)(2)) is amended to read as follows:

"(2) APPLICATIONS FOR PERMITS TO DRILL REFORM AND PROCESS.—

"(A) TIMELINE.—The Secretary shall decide whether to issue a permit to drill within 30 days after receiving an application for the permit. The Secretary may extend such period for up to 2 periods of 15 days each, if the Secretary has given written notice of the delay to the applicant. The notice shall be in the form of a letter from the Secretary or a designee of the Secretary, and shall include the names and titles of the persons processing the application, the specific reasons for the delay, and a specific date a final decision on the application is expected.

"(B) NOTICE OF REASONS FOR DENIAL.—If the application is denied, the Secretary shall provide the applicant—

"(i) in writing, clear and comprehensive reasons why the application was not accepted and detailed information concerning any deficiencies; and

"(ii) an opportunity to remedy any deficiencies.

"(C) APPLICATION DEEMED APPROVED.—If the Secretary has not made a decision on the application by the end of the 60-day period beginning on the date the application is received by the Secretary, the application is deemed approved, except in cases in which existing reviews under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) or Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) are incomplete.

"(D) DENIAL OF PERMIT.—If the Secretary decides not to issue a permit to drill in accordance with subparagraph (A), the Secretary shall—

"(i) provide to the applicant a description of the reasons for the denial of the permit;

"(ii) allow the applicant to resubmit an application for a permit to drill during the 10-day period beginning on the date the applicant receives the description of the denial from the Secretary; and

"(iii) issue or deny any resubmitted application not later than 10 days after the date the application is submitted to the Secretary.

"(E) FEE.—

"(i) IN GENERAL.—Notwithstanding any other law, the Secretary shall collect a single $6,500 permit processing fee per application from each applicant at the time the final decision is made whether to issue a permit under subparagraph (A). This fee shall not apply to any resubmitted application.

"(ii) TREATMENT OF PERMIT PROCESSING FEE.—Of all fees collected under this paragraph, 50 percent shall be transferred to the field office where they are collected and used to process protests, leases, and permits under this Act subject to appropriation.".

SEC. 112. SOLAR AND WIND RIGHT-OF-WAY RENTAL REFORM.

(a) IN GENERAL.—Subject to subsection (b), and notwithstanding any other provision of law, of fees collected each fiscal year as annual wind energy and solar energy right-of-way authorization fees required under section 504(g) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1764(g))—

(1) no less than 25 percent shall be available, subject to appropriation, for use for solar and wind permitting and management activities by Department of the Interior field offices responsible for the land where the fees were collected;

(2) no less than 25 percent shall be available, subject to appropriation, for Bureau of Land Management solar and wind permit approval activities; and

(3) no less than 25 percent shall be available, subject to appropriation, to the Secretary of the Interior for department-wide solar and wind permitting activities.

(b) LIMITATION.—The amount used under subsection (a) each fiscal year shall not exceed $10,000,000.

Subtitle B—Administrative Protest Documentation Reform

SEC. 121. ADMINISTRATIVE PROTEST DOCUMENTATION REFORM.

Section 17(p) of the Mineral Leasing Act (30 U.S.C. 226(p)) is further amended by adding at the end the following:

"(4) PROTEST FEE.—

"(A) IN GENERAL.—The Secretary shall collect a $5,000 documentation fee to accompany each protest for a lease, right of way, or application for permit to drill.

"(B) TREATMENT OF FEES.—Of all fees collected under this paragraph, 50 percent shall remain in the field office where they are collected and used to process protests subject to appropriation.".

Subtitle C—Permit Streamlining

SEC. 131. IMPROVE FEDERAL ENERGY PERMIT COORDINATION.

(a) ESTABLISHMENT.—The Secretary of the Interior (referred to in this section as the "Secretary") shall establish a Federal Permit Streamlining Project (referred to in this section as the "Project") in every Bureau of Land Management field office with responsibility for permitting energy projects on Federal land.

(b) MEMORANDUM OF UNDERSTANDING.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary shall enter into a memorandum of understanding for purposes of this section with—

(A) the Secretary of Agriculture;

(B) the Administrator of the Environmental Protection Agency; and

(C) the Chief of the Army Corps of Engineers.

(2) STATE PARTICIPATION.—The Secretary may request that the Governor of any State with energy projects on Federal lands to be a signatory to the memorandum of understanding.

(c) DESIGNATION OF QUALIFIED STAFF.—

(1) IN GENERAL.—Not later than 30 days after the date of the signing of the memorandum of understanding under subsection (b), all Federal signatory parties shall, if appropriate, assign to each of the Bureau of Land Management field offices an employee who has expertise in the regulatory issues relating to the office in which the employee is employed, including, as applicable, particular expertise in—

(A) the consultations and the preparation of biological opinions under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536);

(B) permits under section 404 of Federal Water Pollution Control Act (33 U.S.C. 1344);

(C) regulatory matters under the Clean Air Act (42 U.S.C. 7401 et seq.);

(D) planning under the National Forest Management Act of 1976 (16 U.S.C. 472a et seq.); and

(E) the preparation of analyses under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) DUTIES.—Each employee assigned under paragraph (1) shall—

(A) not later than 90 days after the date of assignment, report to the Bureau of Land Management Field Managers in the office to which the employee is assigned;

(B) be responsible for all issues relating to the energy projects that arise under the authorities of the employee's home agency; and

(C) participate as part of the team of personnel working on proposed energy projects, planning, and environmental analyses on Federal lands.

(d) ADDITIONAL PERSONNEL.—The Secretary shall assign to each Bureau of Land Management field office identified in subsection (a) any additional personnel that are necessary to ensure the effective approval and implementation of energy projects administered by the Bureau of Land Management field offices, including inspection and enforcement relating to energy development on Federal land, in accordance with the multiple use mandate of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.).

(e) FUNDING.—Funding for the additional personnel shall come from the Department of the Interior reforms identified in sections 101, 102, and 201.

(f) SAVINGS PROVISION.—Nothing in this section affects—

(1) the operation of any Federal or State law; or

(2) any delegation of authority made by the head of a Federal agency whose employees are participating in the Project.

(g) DEFINITION.—For purposes of this section the term "energy projects" includes oil, natural gas, coal, and other energy projects as defined by the Secretary.

SEC. 132. ADMINISTRATION OF CURRENT LAW.

Notwithstanding any other law, the Secretary of the Interior shall not require a finding of extraordinary circumstances in administering section 390 of the Energy Policy Act of 2005 (42 U.S.C. 15942).

Subtitle D—Judicial Review

SEC. 141. DEFINITIONS.

In this subtitle—

(1) the term "covered civil action" means a civil action containing a claim under section 702 of title 5, United States Code, regarding agency action (as defined for the purposes of that section) affecting a covered energy project on Federal lands of the United States; and

(2) the term "covered energy project" means the leasing of Federal lands of the United States for the exploration, development, production, processing, or transmission of oil, natural gas, wind, or any other source of energy, and any action under such a lease, except that the term does not include any disputes between the parties to a lease regarding the obligations under such lease, including regarding any alleged breach of the lease.

SEC. 142. EXCLUSIVE VENUE FOR CERTAIN CIVIL ACTIONS RELATING TO COVERED ENERGY PROJECTS.

Venue for any covered civil action shall lie in the district court where the project or leases exist or are proposed.

SEC. 143. TIMELY FILING.

To ensure timely redress by the courts, a covered civil action must be filed no later than the end of the 90-day period beginning on the date of the final Federal agency action to which it relates.

SEC. 144. EXPEDITION IN HEARING AND DETERMINING THE ACTION.

The court shall endeavor to hear and determine any covered civil action as expeditiously as possible.

SEC. 145. STANDARD OF REVIEW.

In any judicial review of a covered civil action, administrative findings and conclusions relating to the challenged Federal action or decision shall be presumed to be correct, and the presumption may be rebutted only by the preponderance of the evidence contained in the administrative record.

SEC. 146. LIMITATION ON INJUNCTION AND PROSPECTIVE RELIEF.

In a covered civil action, the court shall not grant or approve any prospective relief unless the court finds that such relief is narrowly drawn, extends no further than necessary to correct the violation of a legal requirement, and is the least intrusive means necessary to correct that violation. In addition, courts shall limit the duration of preliminary injunctions to halt covered energy projects to no more than 60 days, unless the court finds clear reasons to extend the injunction. In such cases of extensions, such extensions shall only be in 30-day increments and shall require action by the court to renew the injunction.

SEC. 147. LIMITATION ON ATTORNEYS' FEES.

Sections 504 of title 5, United States Code, and 2412 of title 28, United States Code, (together commonly called the Equal Access to Justice Act) do not apply to a covered civil action, nor shall any party in such a covered civil action receive payment from the Federal Government for their attorneys' fees, expenses, and other court costs.

SEC. 148. LEGAL STANDING.

Challengers filing appeals with the Department of the Interior Board of Land Appeals shall meet the same standing requirements as challengers before a United States district court.

Subtitle E—Knowing America's Oil and Gas Resources

SEC. 151. FUNDING OIL AND GAS RESOURCE ASSESSMENTS.

(a) IN GENERAL.—The Secretary of the Interior shall provide matching funding for joint projects with States to conduct oil and gas resource assessments on Federal lands with significant oil and gas potential.

(b) COST SHARING.—The Federal share of the cost of activities under this section shall not exceed 50 percent.

(c) RESOURCE ASSESSMENT.—Any resource assessment under this section shall be conducted by a State, in consultation with the United States Geological Survey.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section a total of $50,000,000 for fiscal years 2014 through 2017.

TITLE II—OIL AND GAS LEASING CERTAINTY

SEC. 201. SHORT TITLE.

This title may be cited as the "Providing Leasing Certainty for American Energy Act of 2013".

SEC. 202. MINIMUM ACREAGE REQUIREMENT FOR ONSHORE LEASE SALES.

In conducting lease sales as required by section 17(a) of the Mineral Leasing Act (30 U.S.C. 226(a)), each year the Secretary of the Interior shall perform the following:

(1) The Secretary shall offer for sale no less than 25 percent of the annual nominated acreage not previously made available for lease. Acreage offered for lease pursuant to this paragraph shall not be subject to protest and shall be eligible for categorical exclusions under section 390 of the Energy Policy Act of 2005 (42 U.S.C. 15942), except that it shall not be subject to the test of extraordinary circumstances.

(2) In administering this section, the Secretary shall only consider leasing of Federal lands that are available for leasing at the time the lease sale occurs.

SEC. 203. LEASING CERTAINTY.

Section 17(a) of the Mineral Leasing Act (30 U.S.C. 226(a)) is amended by inserting "(1)" before "All lands", and by adding at the end the following:

"(2)(A) The Secretary shall not withdraw any covered energy project issued under this Act without finding a violation of the terms of the lease by the lessee.

"(B) The Secretary shall not infringe upon lease rights under leases issued under this Act by indefinitely delaying issuance of project approvals, drilling and seismic permits, and rights of way for activities under such a lease.

"(C) No later than 18 months after an area is designated as open under the current land use plan the Secretary shall make available nominated areas for lease under the criteria in section 2.

"(D) Notwithstanding any other law, the Secretary shall issue all leases sold no later than 60 days after the last payment is made.

"(E) The Secretary shall not cancel or withdraw any lease parcel after a competitive lease sale has occurred and a winning bidder has submitted the last payment for the parcel.

"(F) Not later than 60 days after a lease sale held under this Act, the Secretary shall adjudicate any lease protests filed following a lease sale. If after 60 days any protest is left unsettled, said protest is automatically denied and appeal rights of the protestor begin.

"(G) No additional lease stipulations may be added after the parcel is sold without consultation and agreement of the lessee, unless the Secretary deems such stipulations as emergency actions to conserve the resources of the United States.".

SEC. 204. LEASING CONSISTENCY.

Federal land managers must follow existing resource management plans and continue to actively lease in areas designated as open when resource management plans are being amended or revised, until such time as a new record of decision is signed.

SEC. 205. REDUCE REDUNDANT POLICIES.

Bureau of Land Management Instruction Memorandum 2010–117 shall have no force or effect.

SEC. 206. STREAMLINED CONGRESSIONAL NOTIFICATION.

Section 31(e) of the Mineral Leasing Act (30 U.S.C. 188(e)) is amended in the matter following paragraph (4) by striking "at least thirty days in advance of the reinstatement" and inserting "in an annual report".

TITLE III—OIL SHALE

SEC. 301. SHORT TITLE.

This title may be cited as the "Protecting Investment in Oil Shale the Next Generation of Environmental, Energy, and Resource Security Act" or the "PIONEERS Act".

SEC. 302. EFFECTIVENESS OF OIL SHALE REGULATIONS, AMENDMENTS TO RESOURCE MANAGEMENT PLANS, AND RECORD OF DECISION.

(a) REGULATIONS.—Notwithstanding any other law or regulation to the contrary, the final regulations regarding oil shale management published by the Bureau of Land Management on November 18, 2008 (73 Fed. Reg. 69,414) are deemed to satisfy all legal and procedural requirements under any law, including the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and the Secretary of the Interior shall implement those regulations, including the oil shale leasing program authorized by the regulations, without any other administrative action necessary.

(b) AMENDMENTS TO RESOURCE MANAGEMENT PLANS AND RECORD OF DECISION.—Notwithstanding any other law or regulation to the contrary, the November 17, 2008 U.S. Bureau of Land Management Approved Resource Management Plan Amendments/Record of Decision for Oil Shale and Tar Sands Resources to Address Land Use Allocations in Colorado, Utah, and Wyoming and Final Programmatic Environmental Impact Statement are deemed to satisfy all legal and procedural requirements under any law, including the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and the Secretary of the Interior shall implement the oil shale leasing program authorized by the regulations referred to in subsection (a) in those areas covered by the resource management plans amended by such amendments, and covered by such record of decision, without any other administrative action necessary.

SEC. 303. OIL SHALE LEASING.

(a) ADDITIONAL RESEARCH AND DEVELOPMENT LEASE SALES.—The Secretary of the Interior shall hold a lease sale within 180 days after the date of enactment of this Act offering an additional 10 parcels for lease for research, development, and demonstration of oil shale resources, under the terms offered in the solicitation of bids for such leases published on January 15, 2009 (74 Fed. Reg. 10).

(b) COMMERCIAL LEASE SALES.—No later than January 1, 2016, the Secretary of the Interior shall hold no less than 5 separate commercial lease sales in areas considered to have the most potential for oil shale development, as determined by the Secretary, in areas nominated through public comment. Each lease sale shall be for an area of not less than 25,000 acres, and in multiple lease blocs.

TITLE IV—MISCELLANEOUIS PROVISIONS

SEC. 401. RULE OF CONSTRUCTION.

Nothing in this Act shall be construed to authorize the issuance of a lease under the Mineral Leasing Act (30 U.S.C. 181 et seq.) to any person designated for the imposition of sanctions pursuant to—

(1) the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), the Comprehensive Iran Sanctions, Accountability and Divestiture Act of 2010 (22 U.S.C. 8501 et seq.), the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8701 et seq.), section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a), or the Iran Freedom and Counter-Proliferation Act of 2012 (22 U.S.C. 8801 et seq.);

(2) Executive Order 13622 (July 30, 2012), Executive Order 13628 (October 9, 2012), or Executive Order 13645 (June 3, 2013);

(3) Executive Order 13224 (September 23, 2001) or Executive Order 13338 (May 11, 2004); or

(4) the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003 (22 U.S.C. 2151 note).

PURPOSE OF THE BILL

The purpose of H.R. 1965 is to streamline and ensure onshore energy permitting on federal lands, provide for onshore leasing certainty, and give certainty to oil shale development for American energy security, economic development, and job creation.

BACKGROUND AND NEED FOR LEGISLATION

TITLE I—ONSHORE OIL AND GAS PERMIT STEAMLINING

Since taking office, the Obama Administration has made energy and minerals development on federal lands so burdensome and undesirable that companies consistently seek out state and private lands for development rather than deal with the lengthy and uncertain federal regulatory process. The Administration has historically taken steps to delay and halt production on federal lands, such as delaying the issuing of a permit by months or even years, removing swaths of land from previously announced lease sales and restricting areas prospective for solar and wind energy development.

Delays and permitting backlogs plague the Department of the Interior and the U.S. Forest Service, with the Bureau of Land Management (BLM) field offices suffering particularly lengthy permitting backlogs. Since 2008, the yearly appropriations bill has levied a fee on oil and natural gas companies for submitting and processing Applications for Permit to Drill (APD). This fee has increased every and the current cost per APD is $6,500. The companies are then left waiting months, sometimes years, to have their permit(s) approved. The federal government waiting times are significantly longer than state waiting times. The federal government often takes over 200 days to process a permit, whereas the average state processing time is 45 days. Companies pay the $6,500 APD when they file an APD regardless of how long it takes the application to be reviewed. This fee is entirely directed to the general treasury of the United States; the BLM field offices with the greatest APD workloads receive no additional funding to expedite the processing of permits.

In addition to bureaucratic delays, energy projects, whether conventional or renewable, are challenged at nearly every step of the development process by lengthy, burdensome lawsuits that can go so far as to completely halt the project's development. Most recently, an environmental group sued the U.S. Forest Service claiming that a proper Environmental Impact Statement was not done and that a planned wind project in the Green Mountain National Forest will lead to the death of bats. Additionally, an environmental lawsuit was filed against BLM and the U.S. Fish and Wildlife Service claiming that the 4,000–acre Calico Solar project in California would pose a threat to endangered species.

Aside from halting energy production and job creation, these lawsuits are essentially funded by taxpayer dollars. Often, environmental groups are able to obtain reimbursement for all or part of their legal costs, while the companies and federal government must bear the cost of defending itself. Lawsuits stagnate in the court system for years, which ties up companies' capital investments and ties up taxpayer dollars in the court system.

TITLE II—OIL AND GAS LEASING CERTAINTY

The Department of the Interior is required by law under the Mineral Leasing Act to hold competitive auctions for oil and natural gas companies to acquire federal land for development.

Each year, millions of acres throughout the nation are nominated by industry where there is interest in oil and natural gas development to give BLM a general idea of where to hold lease sales. While many states depend on the energy industry as a chief driver of their economies, statistics show the percentage of land leased by the BLM versus the number of acres nominated have drastically decreased over the course of the Obama Administration. In some states the BLM has not leased a single acre for energy development, despite abundant interest from industry.

For example, in Utah, in 2012, interest was expressed in 1,086,705 acres for development. However, BLM chose to only lease 48,807 acres. In New Mexico, 15,582 acres out of 118,781 nominated were leased. In addition, in Arizona the Administration has not held a single lease sale since coming into office, despite interest in nearly 50,000 acres for development.

A variety of other bureaucratic actions have delayed energy development and made leasing uncertain for developers who no longer have assurance that they will be able to develop on the land they lease. Since coming into office, President Obama's Department of the Interior has withdrawn leases that were paid for after selling them at public auction, deferred lease nominations indefinitely, added unexpected and additional lease terms and stipulations following lease sales, and taken years to issue leases despite language in the Mineral Leasing Act that specifies that the federal government shall issue leases sixty days after accepting payment. In 2009, the Department went so far as to completely withdraw 77 oil and gas leases in Utah after the lease parcels had been sold and final payment received. In September 2010, a U.S. District Court Judge ruled that Interior Secretary Salazar exceeded his authority by withdrawing these leases.

In 2012, Secretary Salazar issued BLM Instruction Memorandum 2010–117. This Master Leasing Plan (MLP) policy required a new layer of environmental analysis for certain areas, despite the fact that the analysis is redundant with analysis already required in the Resource Management Plans (RMP). The intent of the MLPs was to re-do RMPs completed since 2005 by requiring RMP amendments. These amendments routinely take several years to complete. The MLP seems to simply identify new restrictions on lands available for oil and natural gas development beyond those in the previously existing analysis.

While the Administration has recently attempted to take credit for our Nation's increased production in oil and gas, the reality is that production on federal lands has, in fact, decreased under the Obama Administration, while production on state and private lands has increased significantly. North Dakota is a prime example. According to a study recently released by the American Petroleum Institute, ". . . at no time in the last 25 years has the number of new onshore federal oil and gas leases been lower than the number of new leases issued in 2009 and 2011," with new leases averaging 44% fewer in 2009 and 2010 when compared to their 2007 and 2008 levels.

The policies of this Administration have made it more difficult, time consuming and expensive to bring a lease through to production—and in some cases have even cast doubt on whether the lease, once paid for, will ever be able to be developed. This legislation

seeks to provide certainty and efficiency to the BLM leasing process which has fallen into disrepair. In doing so, we can foster increased energy development on federal lands.

TITLE III—OIL SHALE

Nearly 75% of the world's recoverable oil shale resources lie within the lower 48 United States. U.S. oil shale holds tremendous potential for domestic energy production, the creation of American jobs, and decreasing our dependence on foreign oil. According to the U.S. Geological Survey, the Western United States may hold more than 1.5 trillion barrels of oil—six times Saudi Arabia's proven resources—enough to provide the United States with energy for the next 200 years. Furthermore, an estimated 350,000 jobs could be created by the development of oil shale resources. The largest known deposits of oil shale are located in a 16,000–square mile area in the Green River formation in Colorado, Utah and Wyoming.

Beginning in 1912, when the Naval Petroleum and Oil Shale Reserves Program was established, oil shale development in the United States has traditionally been subject to a "boom and bust" cycle of development. This has been due to inconsistent U.S. resources directed towards oil shale due to the fluctuating global price of traditional crude with which it competes. However, due to increasing costs of traditional crude, decreasing global supply, increasing energy demand, and the need for domestic energy production to ensure our energy security, oil shale development is once again becoming a focal point of an ever expanding U.S. energy portfolio.

Inconsistent and combative federal policies regarding leasing and land development have also hindered the commercial development of oil shale. The Department of the Interior owns and manages about 73 percent of the lands that contain significant oil shale deposits in the West. Federal lands contain about 80 percent of the known recoverable resource in Colorado, Utah, and Wyoming.

Despite these available resources, an Executive Order signed by President Hoover prohibits the leasing of federal oil shale lands. The ban can only be lifted by the Secretary of the Interior. This has occurred only twice since 1930—once in the early 1970s when the Federal Prototype Oil Shale leasing Program was established and once after the Energy Policy Act of 2005 (EPACT05) required leasing of oil shale lands for experimental purposes. Accordingly, in 2007 six 160 acre tracts were leased to three companies. Each developer has ten years to successfully verify that its technology is technically viable, environmentally acceptable and sustainable before expanding each lease to as much as 5,120 acres for commercial production. In 2008, BLM published a Final Programmatic Environmental Impact Statement that expanded the acreage potentially available for commercial tar-sands leasing and amended eight resource management plans in Utah, Colorado, and Wyoming to make approximately 1.9 million acres of public lands potentially available for commercial oil shale development.

Under the Obama Administration, the U.S. Department of the Interior has essentially withdrawn its support of the provisions in EPACT 05 that supported the commercial leasing of oil shale and has made little progress on the industry's advancement. While in 2009 BLM solicited a second round of 160-acre oil shale leases, the

lease terms were less than favorable for oil shale production. The initial potential for 5,120 acres of commercial development pending a successful project was decreased to 480 acres. Because of this, there was a lack of interest in the second round of BLM leases as many firms believed a commercial project could not be established on small lots and only two proposals were submitted.

In March 2013, the Administration released new proposed oil shale regulations. The rule proposed several options for oil shale royalty rates and makes available only 800,000 acres for oil shale development. This additional revision of the regulations inserts additional regulatory uncertainty and instability in the oil shale development industry.

COMMITTEE ACTION

H.R. 1965 was introduced on May 14, 2013, by Congressman Doug Lamborn (R–CO). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. In addition, the bill was referred to the Committee on the Judiciary. On May 22, 2013, the Subcommittee on Energy and Mineral Resources held a hearing on the bill. On July 24, 2013, the Natural Resources Committee met to consider the bill. The Subcommittee on Energy and Mineral Resources was discharged by unanimous consent. Congressman Lamborn offered an Amendment in the Nature of a Substitute (ANS) to the bill. Congresswoman Grace Napolitano (D–CA) offered an amendment designated .001 to the ANS; the amendment to the ANS was not adopted by a roll call vote of 16 to 25, as follows:

Committee on Natural Resources

U.S. House of Representatives

113th Congress

Date: July 24, 2013 Recorded Vote #: 8

Meeting on / Amendment on: H.R.1965 - NAPOLITANO.001 (to ANS), Not agreed to by a vote of 16 yeas and 25 nays

MEMBERS	Yes	No	Pres	MEMBERS	Yes	No	Pres
Mr. Hastings, WA, Chairman		X		**Mr. Duncan of SC**		X	
Mr. Defazio, OR, Ranking	X			*Mr. Cardenas, CA*	X		
Mr. Young, AK		X		**Mr. Tipton, CO**	X		
Mr. Faleomavaega, AS				*Mr. Horsford, NV*			
Mr. Gohmert, TX		X		**Mr. Gosar, AZ**		X	
Mr. Pallone, NJ				*Mr. Huffman, CA*	X		
Mr. Bishop, UT		X		**Mr. Labrador, ID**		X	
Mrs. Napolitano, CA	X			*Mr. Ruiz, CA*	X		
Mr. Lamborn, CO		X		**Mr. Southerland, FL**		X	
Mr. Holt, NJ				*Ms. Shea-Porter, NH*	X		
Mr. Wittman, VA		X		**Mr. Flores, TX**		X	
Mr. Grijalva, AZ	X			*Mr. Lowenthal, CA*	X		
Mr. Broun, GA		X		**Mr. Runyan, NJ**		X	
Ms. Bordallo, GU	X			*Mr. Garcia, FL*	X		
Mr. Fleming, LA		X		**Mr. Amodei, NV**		X	
Mr. Costa, CA	X			*Mr. Cartwright, PA*	X		
Mr. McClintock, CA		X		**Mr. Mullin, OK**		X	
Mr. Sablan, CNMI				**Mr. Stewart, UT**		X	
Mr. Thompson, PA		X		**Mr. Daines, MT**		X	
Ms. Tsongas, MA	X			**Mr. Cramer, ND**		X	
Ms. Lummis, WY		X		**Mr. LaMalfa, CA**		X	
Mr. Pierluisi, PR	X			**Mr. Smith, MO**		X	
Mr. Benishek, MI		X		*Vacancy*			
Ms. Hanabusa, HI	X						
				TOTALS	16	25	

Congressman Jared Huffman (D–CA) offered an amendment designated .003 to the ANS; the amendment to the ANS was not adopted by a bipartisan roll call vote of 14 to 27, as follows:

Committee on Natural Resources
U.S. House of Representatives
113th Congress

Date: July 24, 2013 Recorded Vote #: 9

Meeting on / Amendment on: H.R.1965 - HUFFMAN.003 (to ANS), Not agreed to by a vote of 14 yeas and 27 nays

MEMBERS	Yes	No	Pres	MEMBERS	Yes	No	Pres
Mr. Hastings, WA, Chairman		X		**Mr. Duncan of SC**		X	
Mr. Defazio, OR, Ranking	X			*Mr. Cardenas, CA*	X		
Mr. Young, AK		X		**Mr. Tipton, CO**		X	
Mr. Faleomavaega, AS				*Mr. Horsford, NV*			
Mr. Gohmert, TX		X		**Mr. Gosar, AZ**		X	
Mr. Pallone, NJ				*Mr. Huffman, CA*	X		
Mr. Bishop, UT		X		**Mr. Labrador, ID**		X	
Mrs. Napolitano, CA	X			*Mr. Ruiz, CA*	X		
Mr. Lamborn, CO		X		**Mr. Southerland, FL**		X	
Mr. Holt, NJ				*Ms. Shea-Porter, NH*	X		
Mr. Wittman, VA		X		**Mr. Flores, TX**		X	
Mr. Grijalva, AZ	X			*Mr. Lowenthal, CA*	X		
Mr. Broun, GA		X		**Mr. Runyan, NJ**		X	
Ms. Bordallo, GU	X			*Mr. Garcia, FL*	X		
Mr. Fleming, LA		X		**Mr. Amodei, NV**		X	
Mr. Costa, CA		X		*Mr. Cartwright, PA*	X		
Mr. McClintock, CA		X		**Mr. Mullin, OK**		X	
Mr. Sablan, CNMI				**Mr. Stewart, UT**		X	
Mr. Thompson, PA		X		**Mr. Daines, MT**		X	
Ms. Tsongas, MA	X			**Mr. Cramer, ND**		X	
Ms. Lummis, WY		X		**Mr. LaMalfa, CA**		X	
Mr. Pierluisi, PR	X			**Mr. Smith, MO**		X	
Mr. Benishek, MI		X		*Vacancy*			
Ms. Hanabusa, HI	X						
				TOTALS	14	27	

The Amendment in the Nature of a Substitute offered by Congressman Lamborn was adopted by voice vote. No further amendments were offered, and the bill, as amended, was then adopted and ordered favorably reported to the House of Representatives by a bipartisan roll call vote of 27 to 14, as follows:

Committee on Natural Resources
U.S. House of Representatives
113th Congress

Date: July 24, 2013 Recorded Vote #: 10

Meeting on / Amendment on: H.R.1965 - To adopt and favorably report the bill to the House, as amended, agreed to by a vote of 27 yeas and 14 nays

MEMBERS	Yes	No	Pres	MEMBERS	Yes	No	Pres
Mr. Hastings, WA, Chairman	X			**Mr. Duncan of SC**	X		
Mr. Defazio, OR, Ranking		X		*Mr. Cardenas, CA*		X	
Mr. Young, AK	X			**Mr. Tipton, CO**	X		
Mr. Faleomavaega, AS				*Mr. Horsford, NV*			
Mr. Gohmert, TX	X			**Mr. Gosar, AZ**	X		
Mr. Pallone, NJ				*Mr. Huffman, CA*		X	
Mr. Bishop, UT	X			**Mr. Labrador, ID**	X		
Mrs. Napolitano, CA		X		*Mr. Ruiz, CA*		X	
Mr. Lamborn, CO	X			**Mr. Southerland, FL**	X		
Mr. Holt, NJ				*Ms. Shea-Porter, NH*		X	
Mr. Wittman, VA	X			**Mr. Flores, TX**	X		
Mr. Grijalva, AZ		X		*Mr. Lowenthal, CA*		X	
Mr. Broun, GA	X			**Mr. Runyan, NJ**	X		
Ms. Bordallo, GU		X		*Mr. Garcia, FL*		X	
Mr. Fleming, LA	X			**Mr. Amodei, NV**	X		
Mr. Costa, CA	X			*Mr. Cartwright, PA*		X	
Mr. McClintock, CA	X			**Mr. Mullin, OK**	X		
Mr. Sablan, CNMI				**Mr. Stewart, UT**	X		
Mr. Thompson, PA	X			**Mr. Daines, MT**	X		
Ms. Tsongas, MA		X		**Mr. Cramer, ND**	X		
Ms. Lummis, WY	X			**Mr. LaMalfa, CA**	X		
Mr. Pierluisi, PR		X		**Mr. Smith, MO**	X		
Mr. Benishek, MI	X			*Vacancy*			
Ms. Hanabusa, HI		X					
				TOTALS	27	14	

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

H.R. 1965—Federal Lands Jobs and Energy Security Act

Summary: H.R. 1965 would require the Bureau of Land Management (BLM) to establish certain fees for activities related to the development of oil and gas on federal lands. A portion of those amounts along with a portion of fees from renewable energy projects on federal lands would be available to the agency, subject to appropriation, to cover the costs of activities aimed at increasing energy development on federal lands. The bill also would exempt lawsuits related to energy production on federal lands from the Equal Access to Justice Act (EAJA). In addition, the legislation would require BLM to offer for sale at least 25 percent of onshore federal lands nominated by firms for oil and gas leasing. Finally, the bill would establish a commercial leasing program for oil shale resources (a type of rock that can be heated to extract an organic compound used to produce synthetic crude oil) on federal lands.

Based on information provided by BLM, the Department of Justice (DOJ), the Department of the Treasury, and certain environmental groups, CBO estimates that enacting the legislation would increase offsetting receipts, which are treated as reductions in direct spending, by $325 million over the 2014–2023 period; therefore, pay-as-you-go procedures apply. In addition, CBO estimates that implementing the legislation would cost $186 million over the 2014–2018 period and $329 million over the 2014–2023 period, assuming appropriation of the authorized and necessary amounts. Enacting the bill would not affect revenues.

H.R. 1965 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1965 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014–2018	2014–2023
CHANGES IN DIRECT SPENDING												
Application for Permit to Drill Fee:[a]												
Estimated Budget Authority	0	−33	−33	−33	−33	−33	−33	−33	−33	−33	−130	−293
Estimated Outlays	0	−33	−33	−33	−33	−33	−33	−33	−33	−33	−130	−293
Protest Fees:												
Estimated Budget Authority	−3	−3	−3	−3	−3	−3	−3	−3	−3	−3	−15	−30
Estimated Outlays	−3	−3	−3	−3	−3	−3	−3	−3	−3	−3	−15	−30
Accelerated Leasing:												
Estimated Budget Authority	*	*	*	*	*	0	0	0	0	0	−2	−2
Estimated Outlays	*	*	*	*	*	0	0	0	0	0	−2	−2
Oil Shale Leasing Program:												
Estimated Budget Authority	*	*	−5	*	*	*	*	*	*	5	−5	*
Estimated Outlays	*	*	−5	*	*	*	*	*	*	5	−5	*
Total Changes, Direct Spending:												
Estimated Budget Authority	−3	−36	−41	−36	−36	−36	−36	−36	−36	−31	−152	−325
Estimated Outlays	−3	−36	−41	−36	−36	−36	−36	−36	−36	−31	−152	−325
CHANGES IN SPENDING SUBJECT TO APPROPRIATION												
Energy Permit Approval Activities:[b]												
Estimated Authorization Level	27	28	28	28	28	28	28	28	28	28	139	279
Estimated Outlays	27	28	28	28	28	28	28	28	28	28	139	279
Oil and Gas Assessments:												
Estimated Authorization Level	13	13	13	13	0	0	0	0	0	0	50	50
Estimated Outlays	9	12	13	13	2	1	0	0	0	0	47	50
Total Changes, Discretionary Spending:												
Estimated Authorization Level	40	41	41	41	28	28	28	28	28	28	189	329
Estimated Outlays	35	40	41	41	30	29	28	28	28	28	186	329

Notes: Components may not sum to totals because of rounding; * = between −$500,000 and $0.

[a] Authority to collect this fee in 2014 was enacted in Public Law 113–46, the Continuing Appropriations Act, 2014.

[b] Public Law 113–46 appropriated funds to carry out activities related to approving energy permits in 2014; however, CBO estimates that additional amounts of appropriated funds would be necessary in 2014 to hire new personnel to expedite those activities as required under H.R. 1965.

Basis of estimate: For this estimate, CBO assumes that H.R. 1965 will be enacted near the beginning of 2014 and that the authorized and necessary amounts will be appropriated for each fiscal year.

Direct spending

CBO estimates that enacting H.R. 1965 would reduce net direct spending by $325 million over the 2014–2023 period. We estimate that new fees established under the bill would increase offsetting receipts by $323 million and that leasing activities related to energy development would increase offsetting receipts by $2 million over that period.

Application for Permit to Drill (APD) Fees. Title I would require firms to pay a $6,500 fee each time they apply for a permit to drill on federal oil and gas leases. In 2013, when BLM was authorized to assess a similar fee, the agency processed about 4,800 permits and collected $31 million. Over the past five years, the agency has issued an average of 5,000 permits each year. Based on information provided by BLM, CBO expects that the agency will process 5,000 APDs a year over the 2015–2023 period.[1] Thus, CBO estimates that enacting this provision would increase offsetting receipts by $293 million over that period.

Protest Fees. Title I also would require any entity that files a protest (a formal objection to a BLM decision) against a lease, right of way, or APD, to pay a $5,000 fee. A protest may result in BLM reversing or delaying a decision. Under current law, any entity can file a protest without paying a fee. Based on information provided by BLM regarding the number of protests filed in each of the past five years, CBO expects that, under current law, about 1,200 protests would be filed each year. We expect that the fee required under the bill would deter about half of those protests. Thus, CBO estimates that enacting this provision would increase offsetting receipts by $3 million a year over the 2014–2023 period.

Accelerated Leasing. Title II would require the Secretary of the Interior to offer for sale at least 25 percent of any onshore federal lands that have been nominated by firms for oil and gas leasing. Information provided by BLM about the amount of nominated lands that are leased annually indicates that the agency already offers for sale more than 25 percent of the acreage nominated; therefore, CBO estimates that implementing this provision would not affect the federal budget.

Title II also would prohibit the Secretary from deferring lease sales in areas where BLM is revising existing land-use plans. Because leasing is deferred for up to five years in areas undergoing land-use planning, CBO expects that certain areas would be leased sooner under the bill than under current law. Based on information provided by BLM, CBO expects that leasing activities are deferred on about 150,000 acres per year. Based on information regarding the number of acres leased annually relative to the number available for lease, CBO estimates that accelerating leasing would in-

[1] Public Law 113–46, the Continuing Appropriations Act, 2014, which expires on January 15, 2014, authorized BLM to collect this fee in 2014. Because CBO estimates the budgetary effects of continuing resolutions on an annualized basis, we estimate that enacting H.R. 1965 would not change the amount of receipts collected by BLM for APD fees in 2014 relative to the annualized level of an estimated $33 million.

crease offsetting receipts from bonus bids by $2 million over the 2014–2018 period.

Oil Shale Leasing. Title III would direct the Secretary of the Interior to implement a commercial leasing program for oil shale on certain federal lands by 2016. The bill also would require the Secretary to offer 10 leases on federal lands in 2014 for the purpose of conducting research and demonstration projects for oil shale development. Based on information provided by the Department of the Interior (DOI) and individuals working in the oil shale industry, CBO estimates that enacting those provisions would increase net offsetting receipts by $5 million in 2016 because the bill would require DOI to offer leases for the commercial development of oil shale sooner than we expect it would have under current law. That increase would be offset by a reduction in net offsetting receipts of $5 million in 2023 because we expect that lands offered for lease in 2016 under the bill would have been offered for lease by 2023 under current law.

Limitation on Attorneys' Fees. Title I would exempt lawsuits related to energy production on federal lands from EAJA, which requires the federal government to pay attorneys' fees for certain plaintiffs that prevail in lawsuits against the United States. Based on information from GAO, CBO estimates that over the next 10 years, the U.S. Treasury will make payments totaling less than $50,000 a year on behalf of the Department of the Interior and the Forest Service as a result of such lawsuits. Thus, we estimate that enacting this provision would result in an insignificant decrease in direct spending from reducing mandatory payments to attorneys over the 2014–2023 period.

Spending subject to appropriation

H.R. 1965 would authorize the appropriation of certain receipts to carry out activities to expedite the approval of new energy projects (including oil and gas drilling and renewable energy development). One-half of all proceeds from new fees established under the bill and 75 percent of receipts from renewable energy development on federal lands would be available, subject to appropriation, to carry out those activities. Most of those funds would be used to hire additional employees to guide new energy projects through the federal approval process. In total, CBO estimates that implementing those provisions would cost $139 million over the 2014–2018 period.

The bill also would authorize the appropriation of $50 million over the 2014–2017 period to help conduct oil and gas resource assessments. Under the bill, states would be required to pay 50 percent of the cost of conducting such assessments on federal lands within their jurisdiction. Assuming the appropriation of the authorized amounts is evenly spread over the 2014–2017 period, CBO estimates that implementing this provision would cost $47 million over the 2014–2018 period.

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. 1965 AS ORDERED REPORTED BY THE SENATE COMMITTEE ON NATURAL RESOURCES ON JULY 24, 2013

	By fiscal year, in millions of dollars—											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014–2018	2014–2023
	NET INCREASE OR DECREASE (−) IN THE DEFICIT											
Statutory Pay-As-You-Go Impact	−3	−36	−41	−36	−36	−36	−36	−36	−36	−31	−152	−325

Intergovernmental and private-sector impact: H.R. 1965 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Estimate prepared by: Federal costs: Jeff LaFave; Impact on state, local, and tribal governments: Melissa Merrell; Impact of private sector: Amy Petz.

Estimated 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. Based on information provided by the Bureau of Land Management, the Department of Justice, the Department of the Treasury, and certain environmental groups, CBO estimates that enacting the legislation would increase offsetting receipts, which are treated as reductions in direct spending, by $325 million over the 2014–2023 period; therefore, pay-as-you-go procedures apply. In addition, CBO estimates that implementing the legislation would cost $186 million over the 2014–2018 period and $329 million over the 2014–2023 period, assuming appropriation of the authorized and necessary amounts. Enacting the bill would not affect revenues.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to streamline and ensure onshore energy permitting, provide for onshore leasing certainty, and give certainty to oil shale development for American energy security, economic development, and job creation.

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.

COMPLIANCE WITH H. RES. 5

Directed Rule Making. The Chairman does not believe that this bill directs any executive branch official to conduct any specific rule-making proceedings.

Duplication of Existing Programs. This bill does establish a program of the federal government known to be duplicative of another federal program. Such program was identified in the most recent report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139. More specifically, in the 2013 report on Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits, the Government Accountability Office identified Renewable Energy Initiatives, including Federal Wind Energy Initiatives, as an area with overlapping and duplicative programs. Subtitle C of Title I of H.R. 1965

provides a new federal permit streamlining initiative to counter this overlap and duplication as it affects the U.S. Forest Service, the Bureau of Land Management, and the Environmental Protection Agency, all agencies with programs identified in the report. In addition, this bill does establish a program of the federal government known to be duplicative of another federal program as identified by the Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs. Subtitle E of Title I directs the Secretary of the Interior to provide matching funds to states to conduct oil and gas resource assessments on federal lands with significant oil and gas potential. This program would be related to the U.S. Geological Survey's Research and Data Collection program; however, that program provides cooperative agreements to a wider variety of applicants and covers a wider variety of assessments and data collection. The Subtitle E program targets prospective oil and gas resources and will help identify and quantify future resources for development in a cost-effective manner. It also requires dollar for dollar matching funds from the state.

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):

MINERAL LEASING ACT

* * * * * * *

SEC. 17. (a)*(1)* All lands subject to disposition under this Act which are known or believed to contain oil or gas deposits may be leased by the Secretary.

(2)(A) The Secretary shall not withdraw any covered energy project issued under this Act without finding a violation of the terms of the lease by the lessee.

(B) The Secretary shall not infringe upon lease rights under leases issued under this Act by indefinitely delaying issuance of project approvals, drilling and seismic permits, and rights of way for activities under such a lease.

(C) No later than 18 months after an area is designated as open under the current land use plan the Secretary shall make available nominated areas for lease under the criteria in section 2.

(D) Notwithstanding any other law, the Secretary shall issue all leases sold no later than 60 days after the last payment is made.

(E) The Secretary shall not cancel or withdraw any lease parcel after a competitive lease sale has occurred and a winning bidder has submitted the last payment for the parcel.

(F) Not later than 60 days after a lease sale held under this Act, the Secretary shall adjudicate any lease protests filed following a

lease sale. If after 60 days any protest is left unsettled, said protest is automatically denied and appeal rights of the protestor begin.

(G) No additional lease stipulations may be added after the parcel is sold without consultation and agreement of the lessee, unless the Secretary deems such stipulations as emergency actions to conserve the resources of the United States.

(b)(1)(A) All lands to be leased which are not subject to leasing under paragraphs (2) and (3) of this subsection shall be leased as provided in this paragraph to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than 2,560 acres, except in Alaska, where units shall be not more than 5,760 acres. Such units shall be as nearly compact as possible. Lease sales shall be conducted by oral bidding. Lease sales shall be held for each State where eligible lands are available at least quarterly and more frequently if the Secretary of the Interior determines such sales are necessary. A lease shall be conditioned upon the payment of a royalty at a rate of not less than 12.5 percent in amount or value of the production removed or sold from the lease. The Secretary shall accept the highest bid from a responsible qualified bidder which is equal to or greater than the national minimum acceptable bid, without evaluation of the value of the lands proposed for lease. Leases shall be issued within 60 days following payment by the successful bidder of the remainder of the bonus bid, if any, and the annual rental for the first lease year. All bids for less than the national minimum acceptable bid shall be rejected. Lands for which no bids are received or for which the highest bid is less than the national minimum acceptable bid shall be offered promptly within 30 days for leasing under subsection (c) of this section and shall remain available for leasing for a period of 2 years after the competitive lease sale.

(B) The national minimum acceptable bid shall be $2 per acre for a period of 2 years from the date of enactment of the Federal Onshore Oil and Gas Leasing Reform Act of 1987. Thereafter, the Secretary, subject to paragraph (2)(B), may establish by regulation a higher national minimum acceptable bid for all leases based upon a finding that such action is necessary: (i) to enhance financial returns to the United States; and (ii) to promote more efficient management of oil and gas resources on Federal lands. Ninety days before the Secretary makes any change in the national minimum acceptable bid, the Secretary shall notify the Committee on Natural Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. The proposal or promulgation of any regulation to establish a national minimum acceptable bid shall not be considered a major Federal action subject to the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969.

(2)(A)(i) If the lands to be leased are within a special tar sand area, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than 5,760 acres, which shall be as nearly compact as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary.

(ii) Royalty shall be 12½ per centum in amount of value of production removed or sold from the lease subject to section 17(k)(1)(c).

(iii) The Secretary may lease such additional lands in special tar sand areas as may be required in support of any operations necessary for the recovery of tar sands.

(iv) No lease issued under this paragraph shall be included in any chargeability limitation associated with oil and gas leases.

(B) For any area that contains any combination of tar sand and oil or gas (or both), the Secretary may issue under this Act, separately—

(i) a lease for exploration for and extraction of tar sand; and

(ii) a lease for exploration for and development of oil and gas.

(C) A lease issued for tar sand shall be issued using the same bidding process, annual rental, and posting period as a lease issued for oil and gas, except that the minimum acceptable bid required for a lease issued for tar sand shall be $2 per acre.

(D) The Secretary may waive, suspend, or alter any requirement under section 26 that a permittee under a permit authorizing prospecting for tar sand must exercise due diligence, to promote any resource covered by a combined hydrocarbon lease.

(3)(A) If the United States held a vested future interest in a mineral estate that, immediately prior to becoming a vested present interest, was subject to a lease under which oil or gas was being produced, or had a well capable of producing, in paying quantities at an annual average production volume per well per day of either not more than 15 barrels per day of oil or condensate, or not more than 60,000 cubic feet of gas, the holder of the lease may elect to continue the lease as a noncompetitive lease under subsection (c)(1).

(B) An election under this paragraph is effective—

(i) in the case of an interest which vested after January 1, 1990, and on or before the date of enactment of this paragraph, if the election is made before the date that is 1 year after the date of enactment of this paragraph;

(ii) in the case of an interest which vests within 1 year after the date of enactment of this paragraph, if the election is made before the date that is 2 years after the date of enactment of this paragraph; and

(iii) in any case other than those described in clause (i) or (ii), if the election is made prior to the interest becoming a vested present interest.

(C) Notwithstanding the consent requirement referenced in section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352), the Secretary shall issue a noncompetitive lease under subsection (c)(1) to a holder who makes an election under subparagraph (A) and who is qualified to hold a lease under this Act. Such lease shall be subject to all terms and conditions under this Act that are applicable to leases issued under subsection (c)(1).

(D) A lease issued pursuant to this paragraph shall continue so long as oil or gas continues to be produced in paying quantities.

(E) This paragraph shall apply only to those lands under the administration of the Secretary of Agriculture where the United States acquired an interest in such lands pursuant to the Act of March 1, 1911 (36 Stat. 961 and following).

(c)(1) If the lands to be leased are not leased under subsection (b)(1) of this section or are not subject to competitive leasing under subsection (b)(2) of this section, the person first making application

for the lease who is qualified to hold a lease under this Act shall be entitled to a lease of such lands without competitive bidding, upon payment of a non-refundable application fee of at least $75. A lease under this subsection shall be conditioned upon the payment of a royalty at a rate of 12.5 percent in amount or value of the production removed or sold from the lease. Leases shall be issued within 60 days of the date on which the Secretary identifies the first responsible qualified applicant.

(2)(A) Lands (i) which were posted for sale under subsection (b)(1) of this section but for which no bids were received or for which the highest bid was less than the national minimum acceptable bid and (ii) for which, at the end of the period referred to in subsection (b)(1) of this section no lease has been issued and no lease application is pending under paragraph (1) of this subsection, shall again be available for leasing only in accordance with subsection (b)(1) of this section.

(B) The land in any lease which is issued under paragraph (1) of this subsection or under subsection (b)(1) of this section which lease terminates, expires, is cancelled or is relinquished shall again be available for leasing only in accordance with subsection (b)(1) of this section.

(d) All leases issued under this section, as amended by the Federal Onshore Oil and Gas Leasing Reform Act of 1987, shall be conditioned upon payment by the lessee of a rental of not less than $1.50 per acre per year for the first through fifth years of the lease and not less than $2 per acre per year for each year thereafter. A minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased.

(e) Competitive and noncompetitive leases issued under this section shall be for a primary term of 10 years: *Provided, however,* That competitive leases issued in special tar sand areas shall also be for a primary term of ten years. Each such lease shall continue so long after its primary term as oil or gas is produced in paying quantities. Any lease issued under this section for land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at that time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.

(f) At least 45 days before offering lands for lease under this section, and at least 30 days before approving applications for permits to drill under the provisions of a lease or substantially modifying the terms of any lease issued under this section, the Secretary shall provide notice of the proposed action. Such notice shall be posted in the appropriate local office of the leasing and land management agencies. Such notice shall include the terms or modified lease terms and maps or a narrative description of the affected lands. Where the inclusion of maps in such notice is not practicable, maps of the affected lands shall be made available to the public for review. Such maps shall show the location of all tracts to be leased, and of all leases already issued in the general area. The requirements of this subsection are in addition to any public notice required by other law.

(g) The Secretary of the Interior, or for National Forest lands, the Secretary of Agriculture, shall regulate all surface-disturbing activities conducted pursuant to any lease issued under this Act, and shall determine reclamation and other actions as required in the interest of conservation of surface resources. No permit to drill on an oil and gas lease issued under this Act may be granted without the analysis and approval by the Secretary concerned of a plan of operations covering proposed surface-disturbing activities within the lease area. The Secretary concerned shall, by rule or regulation, establish such standards as may be necessary to ensure that an adequate bond, surety, or other financial arrangement will be established prior to the commencement of surface-disturbing activities on any lease, to ensure the complete and timely reclamation of the lease tract, and the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations on the lease. The Secretary shall not issue a lease or leases or approve the assignment of any lease or leases under the terms of this section to any person, association, corporation, or any subsidiary, affiliate, or person controlled by or under common control with such person, association, or corporation, during any period in which, as determined by the Secretary of the Interior or Secretary of Agriculture, such entity has failed or refused to comply in any material respect with the reclamation requirements and other standards established under this section for any prior lease to which such requirements and standards applied. Prior to making such determination with respect to any such entity the concerned Secretary shall provide such entity with adequate notification and an opportunity to comply with such reclamation requirements and other standards and shall consider whether any administrative or judicial appeal is pending. Once the entity has complied with the reclamation requirement or other standard concerned an oil or gas lease may be issued to such entity under this Act.

(h) The Secretary of the Interior may not issue any lease on National Forest System Lands reserved from the public domain over the objection of the Secretary of Agriculture.

(i) No lease issued under this section which is subject to termination because of cessation of production shall be terminated for this cause so long as reworking or drilling operations which were commenced on the land prior to or within sixty days after cessation of production are conducted thereon with reasonable diligence, or so long as oil or gas is produced in paying quantities as a result of such operations. No lease issued under this section shall expire because operations or production is suspended under any order, or with the consent, of the Secretary. No lease issued under this section covering lands on which there is a well capable of producing oil or gas in paying quantities shall expire because the lessee fails to produce the same unless the lessee is allowed a reasonable time, which shall be not less than sixty days after notice by registered or certified mail, within which to place such well in producing status or unless, after such status is established, production is discontinued on the leased premises without permission granted by the Secretary under the provisions of this Act.

(j) Whenever it appears to the Secretary that lands owned by the United States are being drained of oil or gas by wells drilled on ad-

jacent lands, he may negotiate agreements whereby the United States, or the United States and its lessees, shall be compensated for such drainage. Such agreements shall be made with the consent of the lessees, if any, affected thereby. If such agreement is entered into, the primary term of any lease for which compensatory royalty is being paid, or any extension of such primary term, shall be extended for the period during which such compensatory royalty is paid and for a period of one year from discontinuance of such payment and so long thereafter as oil or gas is produced in paying quantities.

(k) If, during the primary term or any extended term of any lease issued under this section, a verified statement is filed by any mining claimant pursuant to subsection (c) of section 7 of the Multiple Mineral Development Act of August 13, 1954 (68 Stat. 708), as amended (30 U.S.C. 527), whether such filing occur prior to enactment of the Mineral Leasing Act Revision of 1960 or thereafter, asserting the existence of a conflicting unpatented mining claim or claims upon which diligent work is being prosecuted as to any lands covered by the lease, the running of time under such lease shall be suspended as to the lands involved from the first day of the month following the filing of such verified statement until a final decision is rendered in the matter.

(l) The Secretary of the Interior shall, upon timely application therefor, issue a new lease in exchange for any lease issued for a term of twenty years, or any renewal thereof, or any lease issued prior to August 8, 1946, in exchange for a twenty-year lease, such new lease to be for a primary term of five years and so long thereafter as oil or gas is produced in paying quantities and at a royalty rate of not less than 12½ per centum in amount of value of the production removed or sold from such leases, except that the royalty rate shall be 12½ per centum in amount or value of the production removed or sold from said leases as to (1) such leases, or such parts of the lands subject thereto and the deposits underlying the same, as are not believed to be within the productive limits of any producing oil or gas deposit, as such productive limits are found by the Secretary to have existed on August 8, 1946; and (2) any production on a lease from an oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled within the boundaries of the lease, and which is determined by the Secretary to be a new deposit; and (3) any production on or allocated to a lease pursuant to an approved cooperative or unit plan of development or operation from an oil or gas deposit which was discovered after May 27, 1941, on land committed to such plan, and which is determined by the Secretary to be a new deposit, where such lease, or a lease for which it is exchanged, was included in such plan at the time of discovery or was included in a duly executed and filed application for the approval of such plan at the time of discovery.

(m) For the purpose of more properly conserving the natural resources of any oil or gas pool, field, or like area, or any part thereof (whether or not any part of said oil or gas pool, field, or like area, is then subject to any cooperative or unit plan of development or operation), lessees thereof and their representatives may unite with each other, or jointly or separately with others, in collective adopting and operating under a cooperative or unit plan of development or operation of such pool, field, or like area, or any part

thereof, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest. The Secretary is thereunto authorized, in his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, rental, minimum royalty, and royalty requirements of such leases and to make such regulations with reference to such leases, with like consent on the part of the lessees, in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of the public interest. The Secretary may provide that oil and gas leases hereafter issued under this Act shall contain a provision requiring the lessee to operate under such a reasonable cooperative or unit plan, and he may prescribe such a plan under which such lessee shall operate, which shall adequately protect the rights of all parties in interest, including the United States.

Any plan authorized by the preceding paragraph which includes lands owned by the United States may, in the discretion of the Secretary, contain a provision whereby authority is vested in the Secretary of the Interior, or any such person, committee, or State or Federal officer or agency as may be designated in the plan, to alter or modify from time to time the rate of prospecting and development and the quantity and rate of production under such plan. All leases operated under any such plan approved or prescribed by the Secretary shall be excepted in determining holdings or control under the provisions of any section of this Act.

When separate tracts cannot be independently developed and operated in conformity with an established well-spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary of the Interior to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each such lease committed thereto.

Any lease issued for a term of twenty years, or any renewal thereof, or any portion of such lease that has become the subject of a cooperative or unit plan of development or operation of a pool, field, or like area, which plan has the approval of the Secretary of the Interior, shall continue in force until the termination of such plan. Any other lease issued under any section of this Act which has heretofore or may hereafter be committed to any such plan that contains a general provision for allocation of oil or gas shall continue in force and effect as to the land committed so long as the lease remains subject to the plan: *Provided,* That production is had in paying quantities under the plan prior to the expiration date of the term of such lease. Any lease heretofore or hereafter committed to any such plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: *Provided, however,* That any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not

less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities. The minimum royalty or discovery rental under any lease that has become subject to any cooperative or unit plan of development or operation, or other plan that contains a general provision for allocation of oil or gas, shall be payable only with respect to the lands subject to such lease to which oil or gas shall be allocated under such plan. Any lease which shall be eliminated from any such approved or prescribed plan, or from any communitization or drilling agreement authorized by this section, and any lease which shall be in effect at the termination of any such approved or prescribed plan, or at the termination of any such communitization or drilling agreement, unless relinquished, shall continue in effect for the original term thereof, but for not less than two years, and so long thereafter as oil or gas is produced in paying quantities.

The Secretary of the Interior is hereby authorized, on such conditions as he may prescribe, to approve operating, drilling, or development contracts made by one or more lessees of oil or gas leases, with one or more persons, associations, or corporations whenever, in his discretion, the conservation of natural products or the public convenience or necessity may require it or the interests of the United States may be best subserved thereby. All leases operated under such approved operating, drilling, or development contracts, and interests thereunder, shall be excepted in determining holdings or control under the provisions of this Act.

The Secretary of the Interior, to avoid waste or to promote conservation of natural resources, may authorize the subsurface storage of oil or gas, whether or not produced from federally owned lands, in lands leased or subject to lease under this Act. Such authorization may provide for the payment of a storage fee or rental on such stored oil or gas or, in lieu of such fee or rental, for a royalty other than that prescribed in the lease when such stored oil or gas is produced in conjunction with oil or gas not previously produced. Any lease on which storage is so authorized shall be extended at least for the period of storage and so long thereafter as oil or gas not previously produced is produced in paying quantities.

(n)(1)(A) The owner of (1) an oil and gas lease issued prior to the date of enactment of the Combined Hydrocarbon Leasing Act of 1981 or (2) a valid claim to any hydrocarbon resources leasable under this section based on a mineral location made prior to January 21, 1926, and located within a special tar sand area shall be entitled to convert such lease or claim to a combined hydrocarbon lease for a primary term of ten years upon the filing of an application within two years from the date of enactment of that Act containing an acceptable plan of operations which assures reasonable protection of the environment and diligent development of those resources requiring enhanced recovery methods of development or mining. For purposes of conversion, no claim shall be deemed invalid solely because it was located as a placer location rather than a lode location or vice versa, notwithstanding any previous adjudication on that issue.

(B) The Secretary shall issue final regulations to implement this section within six months of the effective date of this Act. If any oil and gas lease eligible for conversion under this section would otherwise expire after the date of this Act and before six months

following the issuance of implementing regulations, the lessee may preserve his conversion right under such lease for a period ending six months after the issuance of implementing regulations by filing with the Secretary, before the expiration of the lease, a notice of intent to file an application for conversion. Upon submission of a complete plan of operations in substantial compliance with the regulations promulgated by the Secretary for the filing of such plans, the Secretary shall suspend the running of the term of any oil and gas lease proposed for conversion until the plan is finally approved or disapproved. The Secretary shall act upon a proposed plan of operations within fifteen months of its submittal.

(C) When an existing oil and gas lease is converted to a combined hydrocarbon lease, the royalty shall be that provided for in the original oil and gas lease and for a converted mining claim, 12½ per centum in amount or value of production removed or sold from the lease.

(2) Except as provided in this section, nothing in the Combined Hydrocarbon Leasing Act of 1981 shall be construed to diminish or increase the rights of any lessee under any oil and gas lease issued prior to the enactment of such Act.

(o) CERTAIN OUTSTANDING OIL AND GAS.—(1) Prior to the commencement of surface-disturbing activities relating to the development of oil and gas deposits on lands described under paragraph (5), the Secretary of Agriculture shall require, pursuant to regulations promulgated by the Secretary, that such activities be subject to terms and conditions as provided under paragraph (2).

(2) The terms and conditions referred to in paragraph (1) shall require that reasonable advance notice be furnished to the Secretary of Agriculture at least 60 days prior to the commencement of surface disturbing activities.

(3) Advance notice under paragraph (2) shall include each of the following items of information:

(A) A designated field representative.

(B) A map showing the location and dimensions of all improvements, including but not limited to, well sites and road and pipeline accesses.

(C) A plan of operations, of an interim character if necessary, setting forth a schedule for construction and drilling.

(D) A plan of erosion and sedimentation control.

(E) Proof of ownership of mineral title.

Nothing in this subsection shall be construed to affect any authority of the State in which the lands concerned are located to impose any requirements with respect to such oil and gas operations.

(4) The person proposing to develop oil and gas deposits on lands described under paragraph (5) shall either—

(A) permit the Secretary to market merchantable timber owned by the United States on lands subject to such activities; or

(B) arrange to purchase merchantable timber on lands subject to such surface disturbing activities from the Secretary of Agriculture, or otherwise arrange for the disposition of such merchantable timber, upon such terms and upon such advance notice of the items referred to in subparagraphs (A) through (E) of paragraph (3) as the Secretary may accept.

(5)(A) The lands referred to in this subsection are those lands referenced in subparagraph (B) which are under the administration of the Secretary of Agriculture where the United States acquired an interest in such lands pursuant to the Act of March 1, 1911 (36 Stat. 961 and following), but does not have an interest in oil and gas deposits that may be present under such lands. This subsection does not apply to any such lands where, under the provisions of its acquisition of an interest in the lands, the United States is to acquire any oil and gas deposits that may be present under such lands in the future but such interest has not yet vested with the United States.

(B) This subsection shall only apply in the Allegheny National Forest.

(p) DEADLINES FOR CONSIDERATION OF APPLICATIONS FOR PERMITS.—

(1) IN GENERAL.—Not later than 10 days after the date on which the Secretary receives an application for any permit to drill, the Secretary shall—

(A) notify the applicant that the application is complete; or

(B) notify the applicant that information is missing and specify any information that is required to be submitted for the application to be complete.

[(2) ISSUANCE OR DEFERRAL.—Not later than 30 days after the applicant for a permit has submitted a complete application, the Secretary shall—

[(A) issue the permit, if the requirements under the National Environmental Policy Act of 1969 and other applicable law have been completed within such timeframe; or

[(B) defer the decision on the permit and provide to the applicant a notice—

[(i) that specifies any steps that the applicant could take for the permit to be issued; and

[(ii) a list of actions that need to be taken by the agency to complete compliance with applicable law together with timelines and deadlines for completing such actions.**]**

(2) APPLICATIONS FOR PERMITS TO DRILL REFORM AND PROCESS.—

(A) TIMELINE.—The Secretary shall decide whether to issue a permit to drill within 30 days after receiving an application for the permit. The Secretary may extend such period for up to 2 periods of 15 days each, if the Secretary has given written notice of the delay to the applicant. The notice shall be in the form of a letter from the Secretary or a designee of the Secretary, and shall include the names and titles of the persons processing the application, the specific reasons for the delay, and a specific date a final decision on the application is expected.

(B) NOTICE OF REASONS FOR DENIAL.—If the application is denied, the Secretary shall provide the applicant—

(i) in writing, clear and comprehensive reasons why the application was not accepted and detailed information concerning any deficiencies; and

(ii) an opportunity to remedy any deficiencies.

(C) APPLICATION DEEMED APPROVED.—If the Secretary has not made a decision on the application by the end of the 60-day period beginning on the date the application is received by the Secretary, the application is deemed approved, except in cases in which existing reviews under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) or Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) are incomplete.

(D) DENIAL OF PERMIT.—If the Secretary decides not to issue a permit to drill in accordance with subparagraph (A), the Secretary shall—

(i) provide to the applicant a description of the reasons for the denial of the permit;

(ii) allow the applicant to resubmit an application for a permit to drill during the 10-day period beginning on the date the applicant receives the description of the denial from the Secretary; and

(iii) issue or deny any resubmitted application not later than 10 days after the date the application is submitted to the Secretary.

(E) FEE.—

(i) IN GENERAL.—Notwithstanding any other law, the Secretary shall collect a single $6,500 permit processing fee per application from each applicant at the time the final decision is made whether to issue a permit under subparagraph (A). This fee shall not apply to any resubmitted application.

(ii) TREATMENT OF PERMIT PROCESSING FEE.—Of all fees collected under this paragraph, 50 percent shall be transferred to the field office where they are collected and used to process protests, leases, and permits under this Act subject to appropriation.

(3) REQUIREMENTS FOR DEFERRED APPLICATIONS.—

(A) IN GENERAL.—If the Secretary provides notice under paragraph (2)(B), the applicant shall have a period of 2 years from the date of receipt of the notice in which to complete all requirements specified by the Secretary, including providing information needed for compliance with the National Environmental Policy Act of 1969.

(B) ISSUANCE OF DECISION ON PERMIT.—If the applicant completes the requirements within the period specified in subparagraph (A), the Secretary shall issue a decision on the permit not later than 10 days after the date of completion of the requirements described in subparagraph (A), unless compliance with the National Environmental Policy Act of 1969 and other applicable law has not been completed within such timeframe.

(C) DENIAL OF PERMIT.—If the applicant does not complete the requirements within the period specified in subparagraph (A) or if the applicant does not comply with applicable law, the Secretary shall deny the permit.

(4) PROTEST FEE.—

(A) IN GENERAL.— The Secretary shall collect a $5,000 documentation fee to accompany each protest for a lease, right of way, or application for permit to drill.

(B) TREATMENT OF FEES.— Of all fees collected under this paragraph, 50 percent shall remain in the field office where they are collected and used to process protests subject to appropriation.

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DISSENTING VIEWS

Domestic crude oil production has reached its highest level in 25 years; our dependence on foreign oil has dropped to 35 percent, its lowest level since 1986; and natural gas production and petroleum product exports have hit all-time highs. The United States is currently undergoing an energy boom that is on track to make the United States the number one producer of liquid fuels in the world.

Still, the Republicans continue to wheel out the same tired, out-of-date talking points about President Obama, environmentalists, and concerned local citizens "locking up" America's energy resources. They claim that this energy boom is happening in spite of the Administration's policies, and only on private land. They are flat-out wrong. Oil production from onshore federal lands is at the highest level in over ten years, up nearly 18 percent from when President Obama took office. Permit applications and approvals are both going up. And the number of drilling rigs in the Gulf of Mexico is at the highest level in nearly five years.

This bill is not simply anachronistic; it is dangerous. It would harm the environment, short-circuit critical reviews, and establish barriers to people wishing to challenge decisions on oil and gas development in their backyards.

This bill would impose a "shot clock" on the Interior Department's review of drilling permits. After sixty days, drilling permits would be automatically "deemed approved," regardless of whether safety and environmental reviews, cultural surveys, tribal consultation, or other legally mandated reviews had been completed. It turns over control of the onshore leasing system to the oil and gas industry by mandating that leasing occur on twenty five percent of whatever public lands the oil and gas industry nominates every year, regardless of whether or not drilling would be appropriate in those areas, and bars public protests on those leases. The bill further attempts to eliminate public participation by establishing a $5,000 fee for filing a protest, which flies in the face of Americans' First Amendment right to petition the government for a redress of grievances.

President Obama recognized that a huge percentage of oil and gas lease parcels were being protested in the Bush Administration. But instead of attempting to address that by erecting barriers to community input and participation, as this bill does, the Department of the Interior enacted leasing reforms that made the leasing process smarter and more environmentally sound.

As a result, lease protests have declined from 43% in 2009 to 16% in 2012. Rather than recognizing this impressive accomplishment, H.R. 1965 repeals those leasing reforms.

During consideration of H.R. 1965, the Majority rejected an amendment from Ms. Napolitano that would study the impacts of oil shale development on water, and an amendment from Mr.

Huffman that would have eliminated the discriminatory $5,000 protest fee.

H.R. 1965 is a thoroughly counterproductive and unnecessary bill that would negatively affect the environment, eliminate thoughtful leasing reforms, and restrict the ability of the public to petition for a redress of grievances. We join the Obama Administration in strongly opposing this legislation.

PETER DEFAZIO.
RUSH HOLT.
JARED HUFFMAN.
RAÚL M. GRIJALVA.
MADELEINE Z. BORDALLO.
NIKI TSONGAS.
CAROL SHEA-PORTER.
MATTHEW A. CARTWRIGHT.
ALAN LOWENTHAL.

LETTER EXCHANGE

September 13, 2013

The Honorable Doc Hastings
Chairman
Committee on Natural Resources
1324 Longworth House Office Building
Washington, DC 20515

Dear Chairman Hastings,

I am writing with respect to H.R. 1965, the "Federal Lands Jobs and Energy Security Act," which the Committee on Natural Resources ordered reported favorably. As a result of your having consulted with us on provisions in H.R. 1965 that fall within the Rule X jurisdiction of the Committee on the Judiciary, I agree to discharge our Committee from further consideration of this bill so that it may proceed expeditiously to the House floor for consideration.

The Judiciary Committee takes this action with our mutual understanding that by foregoing consideration of H.R. 1965 at this time, we do not waive any jurisdiction over subject matter contained in this or similar legislation, and that our Committee will be appropriately consulted and involved as the bill or similar legislation moves forward so that we may address any remaining issues in our jurisdiction. Our Committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation, and asks that you support any such request.

I would appreciate a response to this letter confirming this understanding with respect to H.R. 1965, and would ask that a copy of our exchange of letters on this matter be included in the *Congressional Record* during Floor consideration of H.R. 1965.

Sincerely,

Bob Goodlatte
Chairman

cc: The Honorable John Conyers, Jr.
The Honorable Peter DeFazio
The Honorable John Boehner
Mr. Thomas J. Wickham, Jr.

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

October 10, 2013

The Honorable Bob Goodlatte
Chairman
Committee on the Judiciary
2138 Rayburn HOB
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding H.R. 1965, the Federal Lands Jobs and Energy Security Act. As you know, the Committee on Natural Resources ordered reported the bill, as amended, on July 24, 2013. I appreciate your support in bringing this legislation before the House of Representatives, and accordingly, understand that the Committee on the Judiciary will forego action on the bill.

The Committee on Natural Resources concurs with the mutual understanding that by foregoing consideration of H.R. 1965 at this time, the Committee on the Judiciary does not waive any jurisdiction over the subject matter contained in this or similar legislation. In addition, should a conference on the bill be necessary, I would support your request to have the Committee on the Judiciary represented on the conference committee. Finally, I would be pleased to include your letter and this response in the bill report filed by the Committee on Natural Resources, as well as in the *Congressional Record* during floor consideration, to memorialize our understanding.

Thank you for your cooperation.

Sincerely,

Doc Hastings
Chairman

cc: The Honorable John A. Boehner, Speaker
The Honorable Peter A. DeFazio
The Honorable John Conyers, Jr.
The Honorable Thomas J. Wickham, Parliamentarian