

108TH CONGRESS  
2D SESSION

# H. R. 4611

To enable increased gasoline supplies and otherwise ensure lower gasoline prices in the United States.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2004

Mr. VITTER introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Resources, Agriculture, Transportation and Infrastructure, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To enable increased gasoline supplies and otherwise ensure lower gasoline prices in the United States.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Gasoline Price Reduc-  
5       tion and Refinery Tax Fairness Act of 2004”.

6       **SEC. 2. POLICY.**

7       It is the policy of the United States to take all actions  
8       necessary in the areas of conservation, efficiency, alter-

1 native sources, technology development, and domestic pro-  
2 duction to reduce the United States dependence on foreign  
3 energy sources by January 1, 2014, to 45 percent of the  
4 Nation's total energy needs.

5 **SEC. 3. OIL AND GAS EXPLORATION AND PRODUCTION DE-**  
6 **FINED.**

7 Section 502 of the Federal Water Pollution Control  
8 Act (33 U.S.C. 1362) is amended by adding at the end  
9 the following:

10 “(24) OIL AND GAS EXPLORATION AND PRO-  
11 Duction.—The term ‘oil and gas exploration, pro-  
12 duction, processing, or treatment operations or  
13 transmission facilities’ means all field activities or  
14 operations associated with exploration, production,  
15 processing, or treatment operations, or transmission  
16 facilities, including activities necessary to prepare a  
17 site for drilling and for the movement and placement  
18 of drilling equipment, whether or not such field ac-  
19 tivities or operations may be considered to be con-  
20 struction activities.”.

21 **SEC. 4. OFFICE OF FEDERAL ENERGY PROJECT COORDINA-**  
22 **TION.**

23 (a) ESTABLISHMENT.—The President shall establish  
24 the Office of Federal Energy Project Coordination (re-  
25 ferred to in this section as the “Office”) within the Execu-

1 tive Office of the President in the same manner and with  
2 the same mission as the White House Energy Projects  
3 Task Force established by Executive Order No. 13212 (42  
4 U.S.C. 13201 note).

5 (b) STAFFING.—The Office shall be staffed by func-  
6 tional experts from relevant Federal agencies on a non-  
7 reimbursable basis to carry out the mission of the Office.

8 (c) REPORT.—The Office shall transmit an annual  
9 report to Congress that describes the activities put in place  
10 to coordinate and expedite Federal decisions on energy  
11 projects. The report shall list accomplishments in improv-  
12 ing the Federal decisionmaking process and shall include  
13 any additional recommendations or systemic changes  
14 needed to establish a more effective and efficient Federal  
15 permitting process.

16 **SEC. 5. FEDERAL ONSHORE OIL AND GAS LEASING AND**  
17 **PERMITTING PRACTICES.**

18 (a) REVIEW OF ONSHORE OIL AND GAS LEASING  
19 PRACTICES.—

20 (1) IN GENERAL.—The Secretary of the Inte-  
21 rior, in consultation with the Secretary of Agri-  
22 culture with respect to National Forest System lands  
23 under the jurisdiction of the Department of Agri-  
24 culture, shall perform an internal review of current

1 Federal onshore oil and gas leasing and permitting  
2 practices.

3 (2) INCLUSIONS.—The review shall include the  
4 process for—

5 (A) accepting or rejecting offers to lease;

6 (B) administrative appeals of decisions or  
7 orders of officers or employees of the Bureau of  
8 Land Management with respect to a Federal oil  
9 or gas lease;

10 (C) considering surface use plans of oper-  
11 ation, including the timeframes in which the  
12 plans are considered, and any recommendations  
13 for improving and expediting the process; and

14 (D) identifying stipulations to address site-  
15 specific concerns and conditions, including those  
16 stipulations relating to the environment and re-  
17 source use conflicts.

18 (b) REPORT.—Not later than 180 days after the date  
19 of enactment of this Act, the Secretary of the Interior and  
20 the Secretary of Agriculture shall transmit a report to  
21 Congress that describes—

22 (1) actions taken under section 3 of Executive  
23 Order No. 13212 (42 U.S.C. 13201 note); and

24 (2) actions taken or any plans to improve the  
25 Federal onshore oil and gas leasing program.

1 **SEC. 6. MANAGEMENT OF FEDERAL OIL AND GAS LEASING**  
2 **PROGRAMS.**

3 (a) **TIMELY ACTION ON LEASES AND PERMITS.**—To  
4 ensure timely action on oil and gas leases and applications  
5 for permits to drill on land otherwise available for leasing,  
6 the Secretary of the Interior (in this section referred to  
7 as the “Secretary”) shall—

8 (1) ensure expeditious compliance with section  
9 102(2)(C) of the National Environmental Policy Act  
10 of 1969 (42 U.S.C. 4332(2)(C));

11 (2) improve consultation and coordination with  
12 the States and the public; and

13 (3) improve the collection, storage, and retrieval  
14 of information relating to the leasing activities.

15 (b) **BEST MANAGEMENT PRACTICES.**—

16 (1) **IN GENERAL.**—Not later than 18 months  
17 after the date of enactment of this Act, the Sec-  
18 retary shall develop and implement best manage-  
19 ment practices to—

20 (A) improve the administration of the on-  
21 shore oil and gas leasing program under the  
22 Mineral Leasing Act (30 U.S.C. 181 et seq.);  
23 and

24 (B) ensure timely action on oil and gas  
25 leases and applications for permits to drill on  
26 lands otherwise available for leasing.

1           (2) CONSIDERATIONS.—In developing the best  
2           management practices under paragraph (1), the Sec-  
3           retary shall consider any recommendations from the  
4           review under section 5.

5           (3) REGULATIONS.—Not later than 180 days  
6           after the development of best management practices  
7           under paragraph (1), the Secretary shall publish, for  
8           public comment, proposed regulations that set forth  
9           specific timeframes for processing leases and appli-  
10          cations in accordance with the practices, including  
11          deadlines for—

12                   (A) approving or disapproving resource  
13                   management plans and related documents, lease  
14                   applications, and surface use plans; and

15                   (B) related administrative appeals.

16          (c) IMPROVED ENFORCEMENT.—The Secretary shall  
17          improve inspection and enforcement of oil and gas activi-  
18          ties, including enforcement of terms and conditions in per-  
19          mits to drill.

20          (d) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
21          tion to amounts authorized to be appropriated to carry  
22          out section 17 of the Mineral Leasing Act (30 U.S.C.  
23          226), there are authorized to be appropriated to the Sec-  
24          retary for each of fiscal years 2005 through 2008—

1           (1) \$40,000,000 to carry out subsections (a)  
2           and (b); and

3           (2) \$20,000,000 to carry out subsection (c).

4   **SEC. 7. CONSULTATION REGARDING OIL AND GAS LEASING**  
5           **ON PUBLIC LAND.**

6           (a) IN GENERAL.—Not later than 180 days after the  
7   date of enactment of this Act, the Secretary of the Interior  
8   and the Secretary of Agriculture shall enter into a memo-  
9   randum of understanding regarding oil and gas leasing  
10 on—

11           (1) public lands under the jurisdiction of the  
12   Secretary of the Interior; and

13           (2) National Forest System lands under the ju-  
14   risdiction of the Secretary of Agriculture.

15           (b) CONTENTS.—The memorandum of understanding  
16 shall include provisions that—

17           (1) establish administrative procedures and  
18   lines of authority that ensure timely processing of oil  
19   and gas lease applications, surface use plans of oper-  
20   ation, and applications for permits to drill, including  
21   steps for processing surface use plans and applica-  
22   tions for permits to drill consistent with the  
23   timelines established by the amendment made by  
24   section 10;

1           (2) eliminate duplication of effort by providing  
2           for coordination of planning and environmental com-  
3           pliance efforts; and

4           (3) ensure that lease stipulations are—

5                   (A) applied consistently;

6                   (B) coordinated between agencies; and

7                   (C) only as restrictive as necessary to pro-  
8           tect the resource for which the stipulations are  
9           applied.

10       (c) DATA RETRIEVAL SYSTEM.—

11           (1) IN GENERAL.—Not later than 1 year after  
12           the date of enactment of this Act, the Secretary of  
13           the Interior and the Secretary of Agriculture shall  
14           establish a joint data retrieval system that is capable  
15           of—

16                   (A) tracking applications and formal re-  
17                   quests made in accordance with procedures of  
18                   the Federal onshore oil and gas leasing pro-  
19                   gram; and

20                   (B) providing information regarding the  
21                   status of the applications and requests within  
22                   the Department of the Interior and the Depart-  
23                   ment of Agriculture.

24           (2) RESOURCE MAPPING.—Not later than 2  
25           years after the date of enactment of this Act, the



1 Secretary of the Interior and the Secretary of Agri-  
 2 culture shall establish a joint Geographic Informa-  
 3 tion System mapping system for use in—

4 (A) tracking surface resource values to aid  
 5 in resource management; and

6 (B) processing surface use plans of oper-  
 7 ation and applications for permits to drill.

8 **SEC. 8. ESTIMATES OF OIL AND GAS RESOURCES UNDER-**  
 9 **LYING ONSHORE FEDERAL LAND.**

10 (a) ASSESSMENT.—Section 604 of the Energy Act of  
 11 2000 (42 U.S.C. 6217) is amended—

12 (1) in subsection (a)—

13 (A) in paragraph (1)—

14 (i) by striking “reserve”; and

15 (ii) by striking “and” after the semi-  
 16 colon; and

17 (B) by striking paragraph (2) and insert-  
 18 ing the following:

19 “(2) the extent and nature of any restrictions  
 20 or impediments to the development of the resources,  
 21 including—

22 “(A) impediments to the timely granting of  
 23 leases;

24 “(B) post-lease restrictions, impediments,  
 25 or delays on development for conditions of ap-

1           proval, applications for permits to drill, or proc-  
2           essing of environmental permits; and

3                 “(C) permits or restrictions associated with  
4           transporting the resources for entry into com-  
5           merce; and

6                 “(3) the quantity of resources not produced or  
7           introduced into commerce because of the restric-  
8           tions.”;

9           (2) in subsection (b)—

10                 (A) by striking “reserve” and inserting  
11           “resource”; and

12                 (B) by striking “publically” and inserting  
13           “publicly”; and

14           (3) by striking subsection (d) and inserting the  
15           following:

16                 “(d) ASSESSMENTS.—Using the inventory, the Sec-  
17           retary of Energy shall make periodic assessments of eco-  
18           nomically recoverable resources accounting for a range of  
19           parameters such as current costs, commodity prices, tech-  
20           nology, and regulations.”.

21           (b) METHODOLOGY.—The Secretary of the Interior  
22           shall use the same assessment methodology across all geo-  
23           logical provinces, areas, and regions in preparing and  
24           issuing national geological assessments to ensure accurate  
25           comparisons of geological resources.

1 **SEC. 9. COMPLIANCE WITH EXECUTIVE ORDER 13211; AC-**  
2 **TIONS CONCERNING REGULATIONS THAT**  
3 **SIGNIFICANTLY AFFECT ENERGY SUPPLY,**  
4 **DISTRIBUTION, OR USE.**

5 (a) REQUIREMENT.—The head of each Federal agen-  
6 cy shall require that before the Federal agency takes any  
7 action that could have a significant adverse effect on the  
8 supply of domestic energy resources from Federal public  
9 land, the Federal agency taking the action shall comply  
10 with Executive Order No. 13211 (42 U.S.C. 13201 note).

11 (b) GUIDANCE.—Not later than 180 days after the  
12 date of enactment of this Act, the Secretary of Energy  
13 shall publish guidance for purposes of this section describ-  
14 ing what constitutes a significant adverse effect on the  
15 supply of domestic energy resources under Executive  
16 Order No. 13211 (42 U.S.C. 13201 note).

17 (c) MEMORANDUM OF UNDERSTANDING.—The Sec-  
18 retary of the Interior and the Secretary of Agriculture  
19 shall include in the memorandum of understanding under  
20 section 7 provisions for implementing subsection (a) of  
21 this section.

22 **SEC. 10. DEADLINE FOR CONSIDERATION OF APPLICA-**  
23 **TIONS FOR PERMITS.**

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

1       “(p) DEADLINES FOR CONSIDERATION OF APPLICA-  
2 TIONS FOR PERMITS.—

3           “(1) IN GENERAL.—Not later than 10 days  
4 after the date on which the Secretary receives an ap-  
5 plication for any permit to drill, the Secretary  
6 shall—

7           “(A) notify the applicant that the applica-  
8 tion is complete; or

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

13       “(2) ISSUANCE OR DEFERRAL.—Not later than  
14 30 days after the applicant for a permit has sub-  
15 mitted a complete application, the Secretary shall—

16           “(A) issue the permit; or

17           “(B)(i) defer decision on the permit; and

18           “(ii) provide to the applicant a notice that  
19 specifies any steps that the applicant could take  
20 for the permit to be issued.

21       “(3) REQUIREMENTS FOR DEFERRED APPLICA-  
22 TIONS.—

23           “(A) IN GENERAL.—If the Secretary pro-  
24 vides notice under paragraph (2)(B)(ii), the ap-  
25 plicant shall have a period of 2 years from the

1 date of receipt of the notice in which to com-  
2 plete all requirements specified by the Sec-  
3 retary, including providing information needed  
4 for compliance with the National Environmental  
5 Policy Act of 1969 (42 U.S.C. 4321 et seq.).

6 “(B) ISSUANCE OF DECISION ON PER-  
7 MIT.—If the applicant completes the require-  
8 ments within the period specified in subpara-  
9 graph (A), the Secretary shall issue a decision  
10 on the permit not later than 10 days after the  
11 date of completion of the requirements de-  
12 scribed in subparagraph (A).

13 “(C) DENIAL OF PERMIT.—If the appli-  
14 cant does not complete the requirements within  
15 the period specified in subparagraph (A), the  
16 Secretary shall deny the permit.

17 “(q) REPORT.—On a quarterly basis, each field office  
18 of the Bureau of Land Management and the Forest Serv-  
19 ice shall transmit to the Secretary of the Interior or the  
20 Secretary of Agriculture, respectively, a report that—

21 “(1) specifies the number of applications for  
22 permits to drill received by the field office in the pe-  
23 riod covered by the report; and

24 “(2) describes how each of the applications was  
25 disposed of by the field office.”.

1 **SEC. 11. ENVIRONMENTAL REGULATIONS.**

2 In issuing any rule or order relating to gasoline pro-  
 3 duction and distribution, a Federal agency shall include  
 4 a detailed analysis of the effects the rule or order would  
 5 have on gasoline supply. Each Federal agency shall seek  
 6 to ensure that no such rule or order is issued that will  
 7 increase United States dependence on foreign sources of  
 8 oil.

9 **SEC. 12. ACCELERATED DEPRECIATION FOR REFINERY MA-**  
 10 **CHINERY.**

11 (a) IN GENERAL.—Subparagraph (B) of section  
 12 168(e)(3) of the Internal Revenue Code of 1986 (relating  
 13 to classification of property) is amended by striking “and”  
 14 at the end of clause (v), by striking the period at the end  
 15 of clause (vi) and inserting “, and”, and by adding at the  
 16 end the following new clause:

17 “(vii) any refinery machinery.”.

18 (b) ALTERNATIVE SYSTEM.—The table contained in  
 19 section 168(g)(3)(B) of such Code is amended by inserting  
 20 after the item relating to subparagraph (B)(iii) the fol-  
 21 lowing new item:

“(B)(vii) ..... 10”.

22 (c) EFFECTIVE DATE.—The amendments made by  
 23 this section shall apply to property placed in service after  
 24 December 31, 2004.

1 **SEC. 13. REFINERY PERMITTING PROCESS.**

2       Each Federal agency with authority to approve or  
3 disapprove actions affecting the siting or operation of  
4 United States refineries shall, within 180 days after re-  
5 ceiving an application for such approval, either provide the  
6 approval or notify the applicant of the reasons for rejec-  
7 tion along with an explanation of what steps would be nec-  
8 essary to obtain approval.

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