

109TH CONGRESS  
2D SESSION

# H. R. 4749

To suspend the application of any provision of Federal law under which persons are relieved from the requirement to pay royalties for production of oil or natural gas from Federal lands in periods of high oil and natural gas prices, to require the Secretary to seek to renegotiate existing oil and natural gas leases to similarly limit suspension of royalty obligations under such leases, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 2006

Mr. MARKEY (for himself, Mrs. MALONEY, Mr. GEORGE MILLER of California, Mr. EMANUEL, Mr. INSLEE, Mr. WAXMAN, Mr. PALLONE, and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Resources

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## A BILL

To suspend the application of any provision of Federal law under which persons are relieved from the requirement to pay royalties for production of oil or natural gas from Federal lands in periods of high oil and natural gas prices, to require the Secretary to seek to renegotiate existing oil and natural gas leases to similarly limit suspension of royalty obligations under such leases, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Royalty Relief for  
3 American Consumers Act of 2006”.

4 **SEC. 2. REQUIREMENT TO SUSPEND ROYALTY RELIEF.**

5 (a) REQUIREMENT TO SUSPEND.—The Secretary of  
6 the Interior shall suspend the application of any provision  
7 of Federal law under which any person is given relief from  
8 any requirement to pay royalty for production oil or nat-  
9 ural gas from Federal lands (including submerged lands),  
10 for production occurring in any period after the date of  
11 the enactment of this Act with respect to which—

12 (1) in the case of production of oil, the average  
13 price of crude oil in the United States over the most  
14 recent 4 consecutive weeks is greater than \$34.71  
15 per barrel; and

16 (2) in the case of production of natural gas, the  
17 average wellhead price of natural gas in the United  
18 States over the most recent 4 consecutive weeks is  
19 greater than \$4.34 per thousand cubic feet.

20 (b) DETERMINATION OF MARKET PRICE.—The Sec-  
21 retary shall determine average prices for purposes of sub-  
22 section (a) based on the most recent data reported by the  
23 Energy Information Administration of the Department of  
24 Energy.

1 **SEC. 3. RENEGOTIATION OF EXISTING LEASES.**

2 (a) REQUIREMENT.—The Secretary of the Interior  
3 shall seek to renegotiate each existing lease authorizing  
4 production of oil or natural gas on Federal land (including  
5 submerged land) that was issued by the Department of  
6 the Interior before the date of the enactment of this Act  
7 as necessary to modify the terms of such lease to ensure  
8 that any suspension of a requirement to pay royalties  
9 under such lease does not apply to production referred to  
10 in section 2(a).

11 (b) FAILURE TO RENEGOTIATE AND MODIFY.—After  
12 the end of the 1-year period beginning on the date of the  
13 enactment of this Act, a person who is a lessee under an  
14 existing lease referred to in subsection (a) shall not be eli-  
15 gible to enter into any new lease that authorizes produc-  
16 tion of oil or natural gas on Federal land (including sub-  
17 merged land), and shall not be eligible to obtain by sale  
18 or other transfer any lease issued before the end of such  
19 period, unless such person renegotiates such existing lease  
20 and enters into an agreement with the Secretary that  
21 modifies the terms of the existing lease as provided in sub-  
22 section (a).

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