

Calendar No. 464

109TH CONGRESS
2^D SESSION

H. R. 5429

IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

Received

MAY 26, 2006

Read the first time

JUNE 5, 2006

Read the second time and placed on the calendar

AN ACT

To direct the Secretary of the Interior to establish and implement a competitive oil and gas leasing program that will result in an environmentally sound program for the exploration, development, and production of the oil and gas resources of the Coastal Plain of Alaska, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American-Made En-
5 ergy and Good Jobs Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) COASTAL PLAIN.—The term “Coastal
9 Plain” means that area described in appendix I to
10 part 37 of title 50, Code of Federal Regulations.

11 (2) SECRETARY.—The term “Secretary”, except
12 as otherwise provided, means the Secretary of the
13 Interior or the Secretary’s designee.

14 **SEC. 3. LEASING PROGRAM FOR LANDS WITHIN THE**
15 **COASTAL PLAIN.**

16 (a) IN GENERAL.—The Secretary shall take such ac-
17 tions as are necessary—

18 (1) to establish and implement, in accordance
19 with this Act and acting through the Director of the
20 Bureau of Land Management in consultation with
21 the Director of the United States Fish and Wildlife
22 Service, a competitive oil and gas leasing program
23 that will result in an environmentally sound program
24 for the exploration, development, and production of
25 the oil and gas resources of the Coastal Plain; and

1 (2) to administer the provisions of this Act
2 through regulations, lease terms, conditions, restric-
3 tions, prohibitions, stipulations, and other provisions
4 that ensure the oil and gas exploration, development,
5 and production activities on the Coastal Plain will
6 result in no significant adverse effect on fish and
7 wildlife, their habitat, subsistence resources, and the
8 environment, including, in furtherance of this goal,
9 by requiring the application of the best commercially
10 available technology for oil and gas exploration, de-
11 velopment, and production to all exploration, devel-
12 opment, and production operations under this Act in
13 a manner that ensures the receipt of fair market
14 value by the public for the mineral resources to be
15 leased.

16 (b) REPEAL.—

17 (1) REPEAL.—Section 1003 of the Alaska Na-
18 tional Interest Lands Conservation Act of 1980 (16
19 U.S.C. 3143) is repealed.

20 (2) CONFORMING AMENDMENT.—The table of
21 contents in section 1 of such Act is amended by
22 striking the item relating to section 1003.

23 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
24 TAIN OTHER LAWS.—

1 (1) COMPATIBILITY.—For purposes of the Na-
2 tional Wildlife Refuge System Administration Act of
3 1966 (16 U.S.C. 668dd et seq.), the oil and gas
4 leasing program and activities authorized by this
5 section in the Coastal Plain are deemed to be com-
6 patible with the purposes for which the Arctic Na-
7 tional Wildlife Refuge was established, and no fur-
8 ther findings or decisions are required to implement
9 this determination.

10 (2) ADEQUACY OF THE DEPARTMENT OF THE
11 INTERIOR’S LEGISLATIVE ENVIRONMENTAL IMPACT
12 STATEMENT.—The “Final Legislative Environ-
13 mental Impact Statement” (April 1987) on the
14 Coastal Plain prepared pursuant to section 1002 of
15 the Alaska National Interest Lands Conservation
16 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)
17 of the National Environmental Policy Act of 1969
18 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-
19 quirements under the National Environmental Policy
20 Act of 1969 that apply with respect to prelease ac-
21 tivities, including actions authorized to be taken by
22 the Secretary to develop and promulgate the regula-
23 tions for the establishment of a leasing program au-
24 thorized by this Act before the conduct of the first
25 lease sale.

1 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
2 TIONS.—Before conducting the first lease sale under
3 this Act, the Secretary shall prepare an environ-
4 mental impact statement under the National Envi-
5 ronmental Policy Act of 1969 with respect to the ac-
6 tions authorized by this Act that are not referred to
7 in paragraph (2). Notwithstanding any other law,
8 the Secretary is not required to identify nonleasing
9 alternative courses of action or to analyze the envi-
10 ronmental effects of such courses of action. The Sec-
11 retary shall only identify a preferred action for such
12 leasing and a single leasing alternative, and analyze
13 the environmental effects and potential mitigation
14 measures for those two alternatives. The identifica-
15 tion of the preferred action and related analysis for
16 the first lease sale under this Act shall be completed
17 within 18 months after the date of enactment of this
18 Act. The Secretary shall only consider public com-
19 ments that specifically address the Secretary’s pre-
20 ferred action and that are filed within 20 days after
21 publication of an environmental analysis. Notwith-
22 standing any other law, compliance with this para-
23 graph is deemed to satisfy all requirements for the
24 analysis and consideration of the environmental ef-
25 fects of proposed leasing under this Act.

1 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
2 ITY.—Nothing in this Act shall be considered to expand
3 or limit State and local regulatory authority.

4 (e) SPECIAL AREAS.—

5 (1) IN GENERAL.—The Secretary, after con-
6 sultation with the State of Alaska, the city of
7 Kaktovik, and the North Slope Borough, may des-
8 ignate up to a total of 45,000 acres of the Coastal
9 Plain as a Special Area if the Secretary determines
10 that the Special Area is of such unique character
11 and interest so as to require special management
12 and regulatory protection. The Secretary shall des-
13 ignate as such a Special Area the Sadlerochit Spring
14 area, comprising approximately 4,000 acres.

15 (2) MANAGEMENT.—Each such Special Area
16 shall be managed so as to protect and preserve the
17 area's unique and diverse character including its
18 fish, wildlife, and subsistence resource values.

19 (3) EXCLUSION FROM LEASING OR SURFACE
20 OCCUPANCY.—The Secretary may exclude any Spe-
21 cial Area from leasing. If the Secretary leases a Spe-
22 cial Area, or any part thereof, for purposes of oil
23 and gas exploration, development, production, and
24 related activities, there shall be no surface occu-
25 pancy of the lands comprising the Special Area.

1 (4) DIRECTIONAL DRILLING.—Notwithstanding
2 the other provisions of this subsection, the Secretary
3 may lease all or a portion of a Special Area under
4 terms that permit the use of horizontal drilling tech-
5 nology from sites on leases located outside the Spe-
6 cial Area.

7 (f) LIMITATION ON CLOSED AREAS.—The Sec-
8 retary's sole authority to close lands within the Coastal
9 Plain to oil and gas leasing and to exploration, develop-
10 ment, and production is that set forth in this Act.

11 (g) REGULATIONS.—

12 (1) IN GENERAL.—The Secretary shall pre-
13 scribe such regulations as may be necessary to carry
14 out this Act, including rules and regulations relating
15 to protection of the fish and wildlife, their habitat,
16 subsistence resources, and environment of the Coast-
17 al Plain, by no later than 15 months after the date
18 of enactment of this Act.

19 (2) REVISION OF REGULATIONS.—The Sec-
20 retary shall periodically review and, if appropriate,
21 revise the rules and regulations issued under sub-
22 section (a) to reflect any significant biological, envi-
23 ronmental, or engineering data that come to the Sec-
24 retary's attention.

1 **SEC. 4. LEASE SALES.**

2 (a) IN GENERAL.—Lands may be leased pursuant to
3 this Act to any person qualified to obtain a lease for depos-
4 its of oil and gas under the Mineral Leasing Act (30
5 U.S.C. 181 et seq.).

6 (b) PROCEDURES.—The Secretary shall, by regula-
7 tion, establish procedures for—

8 (1) receipt and consideration of sealed nomina-
9 tions for any area in the Coastal Plain for inclusion
10 in, or exclusion (as provided in subsection (c)) from,
11 a lease sale;

12 (2) the holding of lease sales after such nomina-
13 tion process; and

14 (3) public notice of and comment on designa-
15 tion of areas to be included in, or excluded from, a
16 lease sale.

17 (c) LEASE SALE BIDS.—Bidding for leases under
18 this Act shall be by sealed competitive cash bonus bids.

19 (d) ACREAGE MINIMUM IN FIRST SALE.—In the first
20 lease sale under this Act, the Secretary shall offer for lease
21 those tracts the Secretary considers to have the greatest
22 potential for the discovery of hydrocarbons, taking into
23 consideration nominations received pursuant to subsection
24 (b)(1), but in no case less than 200,000 acres.

25 (e) TIMING OF LEASE SALES.—The Secretary
26 shall—

1 (1) conduct the first lease sale under this Act
2 within 22 months after the date of the enactment of
3 this Act; and

4 (2) conduct additional sales so long as sufficient
5 interest in development exists to warrant, in the Sec-
6 retary's judgment, the conduct of such sales.

7 **SEC. 5. GRANT OF LEASES BY THE SECRETARY.**

8 (a) IN GENERAL.—The Secretary may grant to the
9 highest responsible qualified bidder in a lease sale con-
10 ducted pursuant to section 4 any lands to be leased on
11 the Coastal Plain upon payment by the lessee of such
12 bonus as may be accepted by the Secretary.

13 (b) SUBSEQUENT TRANSFERS.—No lease issued
14 under this Act may be sold, exchanged, assigned, sublet,
15 or otherwise transferred except with the approval of the
16 Secretary. Prior to any such approval the Secretary shall
17 consult with, and give due consideration to the views of,
18 the Attorney General.

19 **SEC. 6. LEASE TERMS AND CONDITIONS.**

20 (a) IN GENERAL.—An oil or gas lease issued pursu-
21 ant to this Act shall—

22 (1) provide for the payment of a royalty of not
23 less than 12½ percent in amount or value of the
24 production removed or sold from the lease, as deter-

1 mined by the Secretary under the regulations appli-
2 cable to other Federal oil and gas leases;

3 (2) provide that the Secretary may close, on a
4 seasonal basis, portions of the Coastal Plain to ex-
5 ploratory drilling activities as necessary to protect
6 caribou calving areas and other species of fish and
7 wildlife;

8 (3) require that the lessee of lands within the
9 Coastal Plain shall be fully responsible and liable for
10 the reclamation of lands within the Coastal Plain
11 and any other Federal lands that are adversely af-
12 fected in connection with exploration, development,
13 production, or transportation activities conducted
14 under the lease and within the Coastal Plain by the
15 lessee or by any of the subcontractors or agents of
16 the lessee;

17 (4) provide that the lessee may not delegate or
18 convey, by contract or otherwise, the reclamation re-
19 sponsibility and liability to another person without
20 the express written approval of the Secretary;

21 (5) provide that the standard of reclamation for
22 lands required to be reclaimed under this Act shall
23 be, as nearly as practicable, a condition capable of
24 supporting the uses which the lands were capable of
25 supporting prior to any exploration, development, or

1 production activities, or upon application by the les-
2 see, to a higher or better use as approved by the
3 Secretary;

4 (6) contain terms and conditions relating to
5 protection of fish and wildlife, their habitat, subsist-
6 ence resources, and the environment as required
7 pursuant to section 3(a)(2);

8 (7) provide that the lessee, its agents, and its
9 contractors use best efforts to provide a fair share,
10 as determined by the level of obligation previously
11 agreed to in the 1974 agreement implementing sec-
12 tion 29 of the Federal Agreement and Grant of
13 Right of Way for the Operation of the Trans-Alaska
14 Pipeline, of employment and contracting for Alaska
15 Natives and Alaska Native Corporations from
16 throughout the State;

17 (8) prohibit the export of oil produced under
18 the lease; and

19 (9) contain such other provisions as the Sec-
20 retary determines necessary to ensure compliance
21 with the provisions of this Act and the regulations
22 issued under this Act.

23 (b) PROJECT LABOR AGREEMENTS.—The Secretary,
24 as a term and condition of each lease under this Act and
25 in recognizing the Government's proprietary interest in

1 labor stability and in the ability of construction labor and
2 management to meet the particular needs and conditions
3 of projects to be developed under the leases issued pursu-
4 ant to this Act and the special concerns of the parties to
5 such leases, shall require that the lessee and its agents
6 and contractors negotiate to obtain a project labor agree-
7 ment for the employment of laborers and mechanics on
8 production, maintenance, and construction under the
9 lease.

10 **SEC. 7. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

11 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD
12 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—

13 The Secretary shall, consistent with the requirements of
14 section 3, administer the provisions of this Act through
15 regulations, lease terms, conditions, restrictions, prohibi-
16 tions, stipulations, and other provisions that—

17 (1) ensure the oil and gas exploration, develop-
18 ment, and production activities on the Coastal Plain
19 will result in no significant adverse effect on fish
20 and wildlife, their habitat, and the environment;

21 (2) require the application of the best commer-
22 cially available technology for oil and gas explo-
23 ration, development, and production on all new ex-
24 ploration, development, and production operations;
25 and

1 (3) ensure that the maximum amount of sur-
2 face acreage covered by production and support fa-
3 cilities, including airstrips and any areas covered by
4 gravel berms or piers for support of pipelines, does
5 not exceed 2,000 acres on the Coastal Plain.

6 (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—
7 The Secretary shall also require, with respect to any pro-
8 posed drilling and related activities, that—

9 (1) a site-specific analysis be made of the prob-
10 able effects, if any, that the drilling or related activi-
11 ties will have on fish and wildlife, their habitat, sub-
12 sistence resources, and the environment;

13 (2) a plan be implemented to avoid, minimize,
14 and mitigate (in that order and to the extent prac-
15 ticable) any significant adverse effect identified
16 under paragraph (1); and

17 (3) the development of the plan shall occur
18 after consultation with the agency or agencies hav-
19 ing jurisdiction over matters mitigated by the plan.

20 (c) REGULATIONS TO PROTECT COASTAL PLAIN
21 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
22 AND THE ENVIRONMENT.—Before implementing the leas-
23 ing program authorized by this Act, the Secretary shall
24 prepare and promulgate regulations, lease terms, condi-
25 tions, restrictions, prohibitions, stipulations, and other

1 measures designed to ensure that the activities undertaken
2 on the Coastal Plain under this Act are conducted in a
3 manner consistent with the purposes and environmental
4 requirements of this Act.

5 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
6 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
7 proposed regulations, lease terms, conditions, restrictions,
8 prohibitions, and stipulations for the leasing program
9 under this Act shall require compliance with all applicable
10 provisions of Federal and State environmental law, and
11 shall also require the following:

12 (1) Standards at least as effective as the safety
13 and environmental mitigation measures set forth in
14 items 1 through 29 at pages 167 through 169 of the
15 “Final Legislative Environmental Impact State-
16 ment” (April 1987) on the Coastal Plain.

17 (2) Seasonal limitations on exploration, develop-
18 ment, and related activities, where necessary, to
19 avoid significant adverse effects during periods of
20 concentrated fish and wildlife breeding, denning,
21 nesting, spawning, and migration.

22 (3) That exploration activities, except for sur-
23 face geological studies, be limited to the period be-
24 tween approximately November 1 and May 1 each
25 year and that exploration activities shall be sup-

1 ported, if necessary, by ice roads, winter trails with
2 adequate snow cover, ice pads, ice airstrips, and air
3 transport methods, except that such exploration ac-
4 tivities may occur at other times if the Secretary
5 finds that such exploration will have no significant
6 adverse effect on the fish and wildlife, their habitat,
7 and the environment of the Coastal Plain.

8 (4) Design safety and construction standards
9 for all pipelines and any access and service roads,
10 that—

11 (A) minimize, to the maximum extent pos-
12 sible, adverse effects upon the passage of mi-
13 gratory species such as caribou; and

14 (B) minimize adverse effects upon the flow
15 of surface water by requiring the use of cul-
16 verts, bridges, and other structural devices.

17 (5) Prohibitions on general public access and
18 use on all pipeline access and service roads.

19 (6) Stringent reclamation and rehabilitation re-
20 quirements, consistent with the standards set forth
21 in this Act, requiring the removal from the Coastal
22 Plain of all oil and gas development and production
23 facilities, structures, and equipment upon completion
24 of oil and gas production operations, except that the
25 Secretary may exempt from the requirements of this

1 paragraph those facilities, structures, or equipment
2 that the Secretary determines would assist in the
3 management of the Arctic National Wildlife Refuge
4 and that are donated to the United States for that
5 purpose.

6 (7) Appropriate prohibitions or restrictions on
7 access by all modes of transportation.

8 (8) Appropriate prohibitions or restrictions on
9 sand and gravel extraction.

10 (9) Consolidation of facility siting.

11 (10) Appropriate prohibitions or restrictions on
12 use of explosives.

13 (11) Avoidance, to the extent practicable, of
14 springs, streams, and river system; the protection of
15 natural surface drainage patterns, wetlands, and ri-
16 parian habitats; and the regulation of methods or
17 techniques for developing or transporting adequate
18 supplies of water for exploratory drilling.

19 (12) Avoidance or minimization of air traffic-re-
20 lated disturbance to fish and wildlife.

21 (13) Treatment and disposal of hazardous and
22 toxic wastes, solid wastes, reserve pit fluids, drilling
23 muds and cuttings, and domestic wastewater, includ-
24 ing an annual waste management report, a haz-
25 ardous materials tracking system, and a prohibition

1 on chlorinated solvents, in accordance with applica-
2 ble Federal and State environmental law.

3 (14) Fuel storage and oil spill contingency plan-
4 ning.

5 (15) Research, monitoring, and reporting re-
6 quirements.

7 (16) Field crew environmental briefings.

8 (17) Avoidance of significant adverse effects
9 upon subsistence hunting, fishing, and trapping by
10 subsistence users.

11 (18) Compliance with applicable air and water
12 quality standards.

13 (19) Appropriate seasonal and safety zone des-
14 ignations around well sites, within which subsistence
15 hunting and trapping shall be limited.

16 (20) Reasonable stipulations for protection of
17 cultural and archeological resources.

18 (21) All other protective environmental stipula-
19 tions, restrictions, terms, and conditions deemed
20 necessary by the Secretary.

21 (e) CONSIDERATIONS.—In preparing and promul-
22 gating regulations, lease terms, conditions, restrictions,
23 prohibitions, and stipulations under this section, the Sec-
24 retary shall consider the following:

1 (1) The stipulations and conditions that govern
2 the National Petroleum Reserve-Alaska leasing pro-
3 gram, as set forth in the 1999 Northeast National
4 Petroleum Reserve-Alaska Final Integrated Activity
5 Plan/Environmental Impact Statement.

6 (2) The environmental protection standards
7 that governed the initial Coastal Plain seismic explo-
8 ration program under parts 37.31 to 37.33 of title
9 50, Code of Federal Regulations.

10 (3) The land use stipulations for exploratory
11 drilling on the KIC–ASRC private lands that are set
12 forth in Appendix 2 of the August 9, 1983, agree-
13 ment between Arctic Slope Regional Corporation and
14 the United States.

15 (f) FACILITY CONSOLIDATION PLANNING.—

16 (1) IN GENERAL.—The Secretary shall, after
17 providing for public notice and comment, prepare
18 and update periodically a plan to govern, guide, and
19 direct the siting and construction of facilities for the
20 exploration, development, production, and transpor-
21 tation of Coastal Plain oil and gas resources.

22 (2) OBJECTIVES.—The plan shall have the fol-
23 lowing objectives:

24 (A) Avoiding unnecessary duplication of fa-
25 cilities and activities.

1 (B) Encouraging consolidation of common
2 facilities and activities.

3 (C) Locating or confining facilities and ac-
4 tivities to areas that will minimize impact on
5 fish and wildlife, their habitat, and the environ-
6 ment.

7 (D) Utilizing existing facilities wherever
8 practicable.

9 (E) Enhancing compatibility between wild-
10 life values and development activities.

11 (g) ACCESS TO PUBLIC LANDS.—The Secretary
12 shall—

13 (1) manage public lands in the Coastal Plain
14 subject to subsections (a) and (b) of section 811 of
15 the Alaska National Interest Lands Conservation
16 Act (16 U.S.C. 3121); and

17 (2) ensure that local residents shall have rea-
18 sonable access to public lands in the Coastal Plain
19 for traditional uses.

20 **SEC. 8. EXPEDITED JUDICIAL REVIEW.**

21 (a) FILING OF COMPLAINT.—

22 (1) DEADLINE.—Subject to paragraph (2), any
23 complaint seeking judicial review of any provision of
24 this Act or any action of the Secretary under this
25 Act shall be filed—

1 (A) except as provided in subparagraph
2 (B), within the 90-day period beginning on the
3 date of the action being challenged; or

4 (B) in the case of a complaint based solely
5 on grounds arising after such period, within 90
6 days after the complainant knew or reasonably
7 should have known of the grounds for the com-
8 plaint.

9 (2) VENUE.—Any complaint seeking judicial re-
10 view of any provision of this Act or any action of the
11 Secretary under this Act may be filed only in the
12 United States Court of Appeals for the District of
13 Columbia.

14 (3) LIMITATION ON SCOPE OF CERTAIN RE-
15 VIEW.—Judicial review of a Secretarial decision to
16 conduct a lease sale under this Act, including the en-
17 vironmental analysis thereof, shall be limited to
18 whether the Secretary has complied with the terms
19 of this Act and shall be based upon the administra-
20 tive record of that decision. The Secretary's identi-
21 fication of a preferred course of action to enable
22 leasing to proceed and the Secretary's analysis of
23 environmental effects under this Act shall be pre-
24 sumed to be correct unless shown otherwise by clear
25 and convincing evidence to the contrary.

1 (b) LIMITATION ON OTHER REVIEW.—Actions of the
2 Secretary with respect to which review could have been
3 obtained under this section shall not be subject to judicial
4 review in any civil or criminal proceeding for enforcement.

5 **SEC. 9. FEDERAL AND STATE DISTRIBUTION OF REVENUES.**

6 (a) IN GENERAL.—Notwithstanding any other provi-
7 sion of law, of the amount of adjusted bonus, rental, and
8 royalty revenues from Federal oil and gas leasing and op-
9 erations authorized under this Act—

10 (1) 50 percent shall be paid to the State of
11 Alaska; and

12 (2) except as provided in section 12(d), the bal-
13 ance shall be deposited into the Treasury as mis-
14 cellaneous receipts.

15 (b) PAYMENTS TO ALASKA.—Payments to the State
16 of Alaska under this section shall be made semiannually.

17 **SEC. 10. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

18 (a) IN GENERAL.—The Secretary shall issue rights-
19 of-way and easements across the Coastal Plain for the
20 transportation of oil and gas—

21 (1) except as provided in paragraph (2), under
22 section 28 of the Mineral Leasing Act (30 U.S.C.
23 185), without regard to title XI of the Alaska Na-
24 tional Interest Lands Conservation Act (30 U.S.C.
25 3161 et seq.); and

1 (2) under title XI of the Alaska National Inter-
2 est Lands Conservation Act (30 U.S.C. 3161 et
3 seq.), for access authorized by sections 1110 and
4 1111 of that Act (16 U.S.C. 3170 and 3171).

5 (b) TERMS AND CONDITIONS.—The Secretary shall
6 include in any right-of-way or easement issued under sub-
7 section (a) such terms and conditions as may be necessary
8 to ensure that transportation of oil and gas does not result
9 in a significant adverse effect on the fish and wildlife, sub-
10 sistence resources, their habitat, and the environment of
11 the Coastal Plain, including requirements that facilities be
12 sited or designed so as to avoid unnecessary duplication
13 of roads and pipelines.

14 (c) REGULATIONS.—The Secretary shall include in
15 regulations under section 3(g) provisions granting rights-
16 of-way and easements described in subsection (a) of this
17 section.

18 **SEC. 11. CONVEYANCE.**

19 In order to maximize Federal revenues by removing
20 clouds on title to lands and clarifying land ownership pat-
21 terns within the Coastal Plain, the Secretary, notwith-
22 standing the provisions of section 1302(h)(2) of the Alas-
23 ka National Interest Lands Conservation Act (16 U.S.C.
24 3192(h)(2)), shall convey—

(1) to the Kaktovik Inupiat Corporation the surface estate of the lands described in paragraph 1 of Public Land Order 6959, to the extent necessary to fulfill the Corporation's entitlement under sections 12 and 14 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611 and 1613) in accordance with the terms and conditions of the Agreement between the Department of the Interior, the United States Fish and Wildlife Service, the Bureau of Land Management, and the Kaktovik Inupiat Corporation effective January 22, 1993; and

(2) to the Arctic Slope Regional Corporation the remaining subsurface estate to which it is entitled pursuant to the August 9, 1983, agreement between the Arctic Slope Regional Corporation and the United States of America.

SEC. 12. LOCAL GOVERNMENT IMPACT AID AND COMMUNITY SERVICE ASSISTANCE.

(a) FINANCIAL ASSISTANCE AUTHORIZED.—

(1) IN GENERAL.—The Secretary may use amounts available from the Coastal Plain Local Government Impact Aid Assistance Fund established by subsection (d) to provide timely financial assistance to entities that are eligible under paragraph (2) and that are directly impacted by the exploration for or

1 production of oil and gas on the Coastal Plain under
2 this Act.

3 (2) ELIGIBLE ENTITIES.—The North Slope
4 Borough, the City of Kaktovik, and any other bor-
5 ough, municipal subdivision, village, or other com-
6 munity in the State of Alaska that is directly im-
7 pacted by exploration for, or the production of, oil
8 or gas on the Coastal Plain under this Act, as deter-
9 mined by the Secretary, shall be eligible for financial
10 assistance under this section.

11 (b) USE OF ASSISTANCE.—Financial assistance
12 under this section may be used only for—

13 (1) planning for mitigation of the potential ef-
14 fects of oil and gas exploration and development on
15 environmental, social, cultural, recreational, and sub-
16 sistence values;

17 (2) implementing mitigation plans and main-
18 taining mitigation projects;

19 (3) developing, carrying out, and maintaining
20 projects and programs that provide new or expanded
21 public facilities and services to address needs and
22 problems associated with such effects, including fire-
23 fighting, police, water, waste treatment, medivac,
24 and medical services; and

1 (4) establishment of a coordination office, by
2 the north slope borough, in the city of kaktovik,
3 which shall—

4 (A) coordinate with and advise developers
5 on local conditions, impact, and history of the
6 areas utilized for development; and

7 (B) provide to the Committee on Resources
8 of the House of Representatives and the Com-
9 mittee on Energy and Natural Resources of the
10 Senate an annual report on the status of co-
11 ordination between developers and the commu-
12 nities affected by development.

13 (c) APPLICATION.—

14 (1) IN GENERAL.—Any community that is eligi-
15 ble for assistance under this section may submit an
16 application for such assistance to the Secretary, in
17 such form and under such procedures as the Sec-
18 retary may prescribe by regulation.

19 (2) NORTH SLOPE BOROUGH COMMUNITIES.—A
20 community located in the North Slope Borough may
21 apply for assistance under this section either directly
22 to the Secretary or through the North Slope Bor-
23 ough

24 (3) APPLICATION ASSISTANCE.—The Secretary
25 shall work closely with and assist the North Slope

1 Borough and other communities eligible for assist-
2 ance under this section in developing and submitting
3 applications for assistance under this section.

4 (d) ESTABLISHMENT OF FUND.—

5 (1) IN GENERAL.—There is established in the
6 Treasury the Coastal Plain Local Government Im-
7 pact Aid Assistance Fund.

8 (2) USE.—Amounts in the fund may be used
9 only for providing financial assistance under this
10 section.

11 (3) DEPOSITS.—Subject to paragraph (4), there
12 shall be deposited into the fund amounts received by
13 the United States as revenues derived from rents,
14 bonuses, and royalties from Federal leases and lease
15 sales authorized under this Act.

16 (4) LIMITATION ON DEPOSITS.—The total
17 amount in the fund may not exceed \$11,000,000.

18 (5) INVESTMENT OF BALANCES.—The Sec-
19 retary of the Treasury shall invest amounts in the
20 fund in interest bearing government securities.

21 (e) AUTHORIZATION OF APPROPRIATIONS.—To pro-
22 vide financial assistance under this section there is author-
23 ized to be appropriated to the Secretary from the Coastal

- 1 Plain Local Government Impact Aid Assistance Fund
- 2 \$5,000,000 for each fiscal year.

Passed the House of Representatives May 25, 2006.

Attest:

KAREN L. HAAS,
Clerk.

Calendar No. 464

109TH CONGRESS
2^D Session

H. R. 5429

AN ACT

To direct the Secretary of the Interior to establish and implement a competitive oil and gas leasing program that will result in an environmentally sound program for the exploration, development, and production of the oil and gas resources of the Coastal Plain of Alaska, and for other purposes.

JUNE 5, 2006

Read the second time and placed on the calendar