

109TH CONGRESS  
2D SESSION

# S. 2787

To permit United States persons to participate in the exploration for and the extraction of hydrocarbon resources from any portion of a foreign maritime exclusive economic zone that is contiguous to the exclusive economic zone of the United States, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 11, 2006

Mr. CRAIG (for himself, Mr. ROBERTS, Mr. THUNE, Mr. THOMAS, Mr. DORGAN, Mr. DOMENICI, Mr. ENZI, Mr. BENNETT, Mr. BAUCUS, and Mr. BURNS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To permit United States persons to participate in the exploration for and the extraction of hydrocarbon resources from any portion of a foreign maritime exclusive economic zone that is contiguous to the exclusive economic zone of the United States, 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 “Western Hemisphere  
5       Energy Security Act of 2006”.

1 **SEC. 2. FINDINGS.**

2 (a) FINDINGS.—Congress finds that—

3 (1) the United States is the largest oil importer  
4 in the world;

5 (2) the Federal Government predicts that, by  
6 2025, 68 percent of the oil used in the United  
7 States will be imported;

8 (3)  $\frac{2}{3}$  of the oil reserves of the world are lo-  
9 cated in the politically unstable Middle East and are  
10 controlled by members of the Organization of Petro-  
11 leum Exporting Countries;

12 (4) global fuel consumption is projected to in-  
13 crease by 100 percent to 150 percent during the  
14 next 20 years, driven largely by the Chinese and In-  
15 dian economies;

16 (5) that increased demand for fuel—

17 (A) will place the United States in ever-  
18 greater competition for oil and gas resources;  
19 and

20 (B) may result in an extension of Chinese  
21 involvement in developing Cuban oil and gas re-  
22 serves to within a few miles of the coastline of  
23 the United States;

24 (6) the United States adheres to the principle  
25 that, in a case in which the exclusive economic zone  
26 of the United States is contiguous to the exclusive

1 economic zone of another country, a point equi-  
2 distant to the maritime baselines of the 2 countries  
3 demarcates the exclusive economic zone of each;

4 (7) an example of the application of the prin-  
5 ciple described in paragraph (6) is that the exclusive  
6 economic zone of Cuba extends to within—

7 (A) 52 miles of the Florida Keys at—

8 (i) south of 24 degrees north latitude;

9 and

10 (ii) east of -81 degrees west longitude;

11 and

12 (B) 85.4 miles of the Florida peninsula

13 at—

14 (i) south of 24 degrees north latitude;

15 and

16 (ii) east of -81 degrees west longitude;

17 (8) Cubapetroleo, the state oil company of  
18 Cuba, recently—

19 (A) signed an oil production sharing agree-  
20 ment with the China Petroleum and Chemical  
21 Corporation; and

22 (B) purchased 3 deep-water drilling rigs  
23 from that Chinese state enterprise for use in  
24 the exclusive economic zone of Cuba;

1           (9) the exclusive economic zone of Cuba in the  
2           Gulf of Mexico is a 112,000-square-kilometer area  
3           that has been divided into 59 exploration blocks,  
4           each of which is approximately 2,000 square kilo-  
5           meters and an average depth of 2,000 meters (ex-  
6           cept that some of those blocks have a depth of as  
7           great as 4,000 meters);

8           (10) the northernmost of the exploration blocks  
9           described in paragraph (9) are located off the south-  
10          west coast of the State of Florida;

11          (11) a United States Geological Survey report  
12          entitled “Assessment of Undiscovered Oil and Gas  
13          Resources of the North Cuba Basin 2004” estimated  
14          that between 1,000,000,000 and 9,300,000,000 bar-  
15          rels of undiscovered oil and between  
16          1,900,000,000,000 and 22,000,000,000,000 cubic  
17          feet of undiscovered natural gas along the northern  
18          coast of Cuba;

19          (12) the national security strategy of the Presi-  
20          dent recognizes the increasing resource needs of  
21          China by stating that China is “expanding trade,  
22          but acting as if they can somehow lock up energy  
23          supplies around the world or seek to direct markets  
24          rather than opening them up.”;

1           (13) the United States embargo on Cuba pro-  
2       hibits United States persons from engaging in the  
3       exploration or extraction of hydrocarbon resources  
4       from the exclusive economic zone of Cuba;

5           (14) United States oil and gas industries are  
6       the world's leaders in the efficient and environ-  
7       mentally-safe extraction of oil and gas resources  
8       from marine deposits; and

9           (15) it is in the energy, national security, and  
10      environmental interests of the United States that  
11      the oil and gas companies of the United States be  
12      permitted to operate in the foreign exclusive eco-  
13      nomic zones that is contiguous to the exclusive eco-  
14      nomic zone of the United States.

15      (b) PURPOSE.—The purpose of this Act is to permit  
16      United States persons to participate in the exploration for  
17      and the extraction of hydrocarbon resources from any por-  
18      tion of a foreign maritime exclusive economic zone that  
19      is contiguous to the exclusive economic zone of the United  
20      States.

21      **SEC. 3. DEFINITION OF UNITED STATES PERSON.**

22      In this Act, the term “United States person”  
23      means—

1           (1) any United States citizen or alien lawfully  
 2           admitted for permanent residence in the United  
 3           States; and

4           (2) any person other than an individual, if 1 or  
 5           more individuals described in paragraph (1) own or  
 6           control at least 51 percent of the securities or other  
 7           equity interest in the person.

8   **SEC. 4. AUTHORIZATION OF ACTIVITIES AND EXPORTS IN-**  
 9                   **VOLVING HYDROCARBON RESOURCES BY**  
 10                   **UNITED STATES PERSONS.**

11       Notwithstanding any other provision of law (includ-  
 12       ing a regulation), United States persons (including agents  
 13       and affiliates of those United States persons) may—

14           (1) engage in any transaction necessary for the  
 15           exploration for and extraction of hydrocarbon re-  
 16           sources from any portion of any foreign exclusive  
 17           economic zone that is contiguous to the exclusive  
 18           economic zone of the United States; and

19           (2) export without license authority all equip-  
 20           ment necessary for the exploration for or extraction  
 21           of hydrocarbon resources described in paragraph (1).

1 **SEC. 5. TRAVEL IN CONNECTION WITH AUTHORIZED HY-**  
 2 **DROCARBON EXPLORATION AND EXTRAC-**  
 3 **TION ACTIVITIES.**

4 Section 910 of the Trade Sanctions Reform and Ex-  
 5 port Enhancement Act of 2000 (22 U.S.C. 7209) is  
 6 amended by inserting after subsection (b) the following:

7 “(c) GENERAL LICENSE AUTHORITY FOR TRAVEL-  
 8 RELATED EXPENDITURES BY PERSONS ENGAGING IN  
 9 HYDROCARBON EXPLORATION AND EXTRACTION ACTIVI-  
 10 TIES.—

11 “(1) IN GENERAL.—The Secretary of the  
 12 Treasury shall, authorize under a general license the  
 13 travel-related transactions listed in section  
 14 515.560(c) of title 31, Code of Federal Regulations,  
 15 for travel to, from or within Cuba in connection with  
 16 exploration for and the extraction of hydrocarbon re-  
 17 sources in any part of a foreign maritime Exclusive  
 18 Economic Zone that is contiguous to the United  
 19 States’ Exclusive Economic Zone.

20 “(2) PERSONS AUTHORIZED.—Persons author-  
 21 ized to travel to Cuba under this section include full-  
 22 time employees, executives, agents, and consultants  
 23 of oil and gas producers, distributors, and ship-  
 24 pers.”.

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