

111TH CONGRESS
2D SESSION

H. R. 5780

To reduce deficits and Government spending through the elimination of
wasteful energy subsidies and programs.

IN THE HOUSE OF REPRESENTATIVES

JULY 20, 2010

Mr. PETERS (for himself and Mr. WELCH) introduced the following bill; which
was referred to the Committee on Energy and Commerce, and in addition
to the Committees on Natural Resources, Ways and Means, Transpor-
tation and Infrastructure, and Science and Technology, for a period to
be subsequently determined by the Speaker, in each case for consider-
ation of such provisions as fall within the jurisdiction of the committee
concerned

A BILL

To reduce deficits and Government spending through the
elimination of wasteful energy subsidies and programs.

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 “Reduce and End our
5 Deficits Using Commonsense Eliminations in the Energy
6 Program Act of 2010”.

1 **SEC. 2. TERMINATION OF PAYMENTS TO CERTIFIED**
2 **STATES AND INDIAN TRIBES UNDER ABAN-**
3 **DONED MINE LANDS PROGRAM.**

4 The Surface Mining Control and Reclamation Act of
5 1977 (30 U.S.C. 1201 et seq.) is amended—

6 (1) in section 402(g)(1)(A)(ii), by striking “or
7 pursuant” and all that follows through the end of
8 the sentence and inserting a period;

9 (2) in section 402(g)(1)(B)(ii), by striking “or
10 pursuant” and all that follows through the end of
11 the sentence and inserting a period; and

12 (3) by amending section 411 to read as follows:

13 **“SEC. 411. CERTIFICATION.**

14 “(a) CERTIFICATION REQUIRED.—The Secretary
15 shall determine and certify if on the basis of the inventory
16 referred to in section 403(c) all reclamation projects relat-
17 ing to the priorities described in section 403(a) for eligible
18 land and water pursuant to section 404 in a State or of
19 a tribe have been completed.

20 “(b) NOTICE AND COMMENT.—The Secretary shall
21 publish notice in the Federal Register and provide an op-
22 portunity for public comment regarding any certification
23 under subsection (a).

24 “(c) LIMITATION ON PAYMENTS TO CERTIFIED
25 STATES AND INDIAN TRIBES.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), and notwithstanding any other provision
3 of this Act, no payment may be made under this Act
4 to a State or Indian tribe for which a determination
5 and certification is required under subsection (a).

6 “(2) PAYMENTS FOR HEALTH BENEFITS NOT
7 AFFECTED.—Paragraph (1) shall not apply with re-
8 spect to payments under subsections (h) and (i) of
9 section 402.”.

10 **SEC. 3. TERMINATE OIL AND GAS COMPANY TAX PREF-**
11 **ERENCES.**

12 (a) REPEAL ENHANCED OIL RECOVERY CREDIT.—
13 Section 43 of the Internal Revenue Code of 1986 is
14 amended by adding at the end the following new sub-
15 section:

16 “(f) TERMINATION.—This section shall not apply to
17 any amount, costs, or expenses paid or incurred after the
18 date of the enactment of this subsection.”.

19 (b) REPEAL CREDIT FOR OIL AND GAS PRODUCED
20 FROM MARGINAL WELLS.—Section 45I of the Internal
21 Revenue Code of 1986 is amended by adding at the end
22 the following new subsection:

23 “(e) TERMINATION.—This section shall not apply to
24 any production after December 31, 2010.”.

1 (c) REPEAL EXPENSING OF INTANGIBLE DRILLING
 2 COSTS.—Subsection (c) of section 263 of the Internal
 3 Revenue Code of 1986 is amended by adding at the end
 4 the following new sentence: “This subsection shall not
 5 apply to any expense relating to an oil or gas well paid
 6 or incurred after December 31, 2010.”.

7 (d) REPEAL DEDUCTION FOR TERTIARY
 8 INJECTANTS.—Section 193 of such Code is amended by
 9 adding at the end the following new subsection:
 10 “(d) TERMINATION.—Subsection (a) shall not apply
 11 to any amount paid or incurred after the date of the enact-
 12 ment of this subsection.”.

13 (e) REPEAL EXCEPTION TO PASSIVE LOSS LIMITA-
 14 TION FOR WORKING INTERESTS IN OIL AND NATURAL
 15 GAS PROPERTIES.—Subsection (c) of section 469 of such
 16 Code is amended by striking paragraph (3) (relating to
 17 working interests in oil and gas property).

18 (f) REPEAL PERCENTAGE DEPLETION FOR OIL AND
 19 NATURAL GAS WELLS.—

20 (1) IN GENERAL.—Section 613A of the Internal
 21 Revenue Code of 1986 is amended by adding at the
 22 end the following new subsection:

23 “(f) TERMINATION.—After December 31, 2010, this
 24 section and section 611 shall not apply to any oil or gas
 25 well.”.

1 (2) CONFORMING AMENDMENT.—Section
 2 613A(c)(1) of such Code is amended by striking
 3 “subsection (d)” and inserting “subsections (d) and
 4 (f)”.

5 (g) REPEAL DOMESTIC MANUFACTURING TAX DE-
 6 DUCTION FOR OIL AND NATURAL GAS COMPANIES.—

7 (1) IN GENERAL.—Subparagraph (B) of section
 8 199(c)(4) of such Code is amended by striking
 9 “and” at the end of clause (ii), by striking the pe-
 10 riod at the end of clause (iii) and inserting “, and”,
 11 and by inserting after clause (iii) the following:

12 “(iv) production or extraction relating
 13 to any oil or gas.”.

14 (2) CONFORMING AMENDMENT.—Section
 15 199(c)(4)(A)(i)(III) of such Code is amended by
 16 striking “, natural gas,”.

17 (h) INCREASE GEOLOGICAL AND GEOPHYSICAL AM-
 18 ORTIZATION PERIOD FOR INDEPENDENT PRODUCERS TO
 19 SEVEN YEARS.—

20 (1) IN GENERAL.—Paragraphs (1) and (4) of
 21 section 167(h) of such Code is amended by striking
 22 “24-month” both places it appears and inserting “7-
 23 year”.

1 (2) CONFORMING AMENDMENT.—Section
 2 167(h) of such Code is amended by striking para-
 3 graph (5).

4 (i) EFFECTIVE DATE.—

5 (1) The amendments made by subsection (a),
 6 (c), (e), and (f) shall apply to amounts paid or in-
 7 curred in taxable years beginning after December
 8 31, 2010.

9 (2) The amendments made by subsections (b),
 10 (d), (g), and (h) shall apply to amounts paid or in-
 11 curred in taxable years beginning after December
 12 31, 2010.

13 **SEC. 4. DEPARTMENT OF ENERGY OIL AND GAS RESEARCH**
 14 **AND DEVELOPMENT.**

15 Sections 965 through 967 of the Energy Policy Act
 16 of 2005 (42 U.S.C. 16295–16297) are repealed.

17 **SEC. 5. NUCLEAR WASTE REPOSITORY.**

18 The Secretary of Energy shall discontinue the appli-
 19 cation before the Nuclear Regulatory Commission for a
 20 license to construct a high-level nuclear waste geologic re-
 21 pository at Yucca Mountain, Nevada.

22 **SEC. 6. SALE OF CERTAIN SEPA AND TVA FACILITIES.**

23 (a) SALE OF SOUTHEASTERN POWER ADMINISTRA-
 24 TION AND TVA FACILITIES.—

1 (1) SOUTHEASTERN POWER ADMINISTRATION
2 AND RELATED FACILITIES.—

3 (A) SALE OF SOUTHEASTERN POWER AD-
4 MINISTRATION AND RELATED POWER GENER-
5 ATING ASSETS.—The Secretary of Energy shall
6 develop and carry out a plan to provide for the
7 sale of the electric energy generation facilities
8 that are currently owned and operated by Fed-
9 eral departments and agencies under the super-
10 vision of, or working in coordination with, the
11 Southeastern Power Administration, together
12 with any and all other assets, rights, interests,
13 and obligations held or owned by the South-
14 eastern Power Administration. The heads of
15 other affected Federal departments and agen-
16 cies shall assist the Secretary of Energy in im-
17 plementing the sales authorized by this sub-
18 paragraph.

19 (B) EXCLUSION OF DAMS AND RES-
20 ERVOIRS.—The authority of the Secretary of
21 Energy under subparagraph (A) shall apply
22 with respect to facilities for the generation of
23 electric energy, including turbines, generators,
24 controls, and substations, and shall not apply

1 with respect to any dam, reservoir, or water-
2 front property.

3 (C) REPORT TO CONGRESS.—At least 60
4 days before implementing a plan developed
5 under this paragraph, the Secretary of Energy
6 shall submit to Congress a report containing
7 the plan.

8 (2) TVA FACILITIES.—

9 (A) SALE OF POWER PROGRAM.—The Ten-
10 nessee Valley Authority shall develop and carry
11 out a plan to provide for the sale of the rights
12 and assets of its electric power program.

13 (B) HYDROELECTRIC FACILITY EXCLU-
14 SION.—The authority of the Tennessee Valley
15 Authority under subparagraph (A) shall not
16 apply with respect to any hydroelectric power
17 generation facility owned and operated by the
18 Authority (including dams and appurtenant
19 works and structures).

20 (C) REPORT TO CONGRESS.—At least 60
21 days before implementing a plan developed
22 under this paragraph, the Tennessee Valley Au-
23 thority shall submit to Congress a report con-
24 taining the plan.

1 (b) PROCEEDS.—The proceeds of any sale under this
2 section shall be used first to offset the costs of carrying
3 out the sale and the remaining net proceeds shall be
4 deemed to extinguish the outstanding debt repayable to
5 the United States and attributable to the assets being
6 sold. Any portion of the net proceeds that exceeds the net
7 present value of the outstanding debt repayable to the
8 United States and attributable to the assets being sold
9 shall be deposited in the Treasury of the United States
10 as miscellaneous receipts.

11 (c) TREATMENT OF SALES FOR PURPOSES OF CER-
12 TAIN LAWS.—A sale of assets under this section shall not
13 be considered a disposal of Federal surplus property under
14 subchapter III of chapter 5 of title 40, United States
15 Code, or any other applicable provision of law.

16 (d) DATE OF SALE.—To be extent practicable, all
17 sales under this section shall be completed before Decem-
18 ber 31, 2010.

19 (e) TERMINATION OF THE SOUTHEASTERN POWER
20 ADMINISTRATION.—Following the sale of the assets re-
21 ferred to in subsection (a)(1), the Secretary of Energy
22 shall complete the business of and close out the South-
23 eastern Power Administration and return any unexpended
24 balances of funds appropriated for the Southeastern

1 Power Administration to the Treasury of the United
2 States.

3 **SEC. 7. VOLUME OF STRATEGIC PETROLEUM RESERVE.**

4 Section 154(a) of the Energy Policy and Conserva-
5 tion Act (42 U.S.C. 6234(a)) is amended by striking “1
6 billion” and inserting “650,000,000”.

7 **SEC. 8. ULTRA-DEEPWATER AND UNCONVENTIONAL NAT-
8 URAL GAS AND OTHER PETROLEUM RE-
9 SOURCES.**

10 Sections 999A through 999H of the Energy Policy
11 Act of 2005 (42 U.S.C. 16371–16378) are repealed.

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