

SEC. 207. EFFECTIVE DATE.

This title and the amendments made by it shall take effect on the date of enactment.

TITLE III**SEC. 301. SHORT TITLE.**

This Title may be referred to as the "Outer Continental Shelf Deep Water Royalty Relief Act".

SEC. 302. AMENDMENTS TO THE OUTER CONTINENTAL SHELF LANDS ACT.

Section 8(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)), is amended by striking paragraph (3) in its entirety and inserting the following:

"(3)(A) The Secretary may, in order to—

"(i) promote development or increased production on producing or non-producing leases; or

"(ii) encourage production of marginal resources on producing or non-producing leases; through primary, secondary, or tertiary recovery means, reduce or eliminate any royalty or net profit share set forth in the lease(s). With the lessee's consent, the Secretary may make other modifications to the royalty or net profit share terms of the lease in order to achieve these purposes.

"(B)(i) Notwithstanding the provisions of this Act other than this subparagraph, with respect to any lease or unit in existence on the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act meeting the requirements of this subparagraph, no royalty payments shall be due on new production, as defined in clause (iv) of this subparagraph, from any lease or unit located in water depths of 200 meters or greater in the Western and Central Planning Areas of the Gulf of Mexico, including that portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, until such volume of production as determined pursuant to clause (ii) has been produced by the lessee.

"(ii) Upon submission of a complete application by the lessee, the Secretary shall determine within 180 days of such application whether new production from such lease or unit would be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i) of this subparagraph. In making such determination, the Secretary shall consider the increased technological and financial risk of deep water development and all costs associated with exploring, developing, and producing from the lease. The lessee shall provide information required for a complete application to the Secretary prior to such determination. The Secretary shall clearly define the information required for a complete application under this section. Such application may be made on the basis of an individual lease or unit. If the Secretary determines that such new production would be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i) of this subparagraph, the provisions of clause (i) shall not apply to such production. If the Secretary determines that such new production would not be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i), the Secretary must determine the volume of production from the lease or unit on which no royalties would be due in order to make such new production economically viable; except that for new production as defined in clause (iv)(aa), in no case will that volume be less than 17.5 million barrels of oil equivalent in water depths of 200 to 400 meters, 52.5 million barrels of oil equivalent in 400–800 meters of water, and 87.5 million barrels of oil equivalent in water depths greater than 800 meters. Redetermination of the applicability of clause (i) shall be undertaken by the Sec-

retary when requested by the lessee prior to the commencement of the new production and upon significant change in the factors upon which the original determination was made. The Secretary shall make such redetermination within 120 days of submission of a complete application. The Secretary may extend the time period for making any determination or redetermination under this clause for 30 days, or longer if agreed to by the applicant, if circumstances so warrant. The lessee shall be notified in writing of any determination or redetermination and the reasons for and assumptions used for such determination. Any determination or redetermination under this clause shall be a final agency action. The Secretary's determination or redetermination shall be judicially reviewable under section 10(a) of the Administrative Procedures Act (5 U.S.C. 702), only for actions filed within 30 days of the Secretary's determination or redetermination.

"(iii) In the event that the Secretary fails to make the determination or redetermination called for in clause (ii) upon application by the lessee within the time period, together with any extension thereof, provided for by clause (ii), no royalty payments shall be due on new production as follows:

"(I) For new production, as defined in clause (iv)(I) of this subparagraph, no royalty shall be due on such production according to the schedule of minimum volumes specified in clause (ii) of this subparagraph.

"(II) For new production, as defined in clause (iv)(II) of this subparagraph, no royalty shall be due on such production for one year following the start of such production.

"(iv) For purposes of this subparagraph, the term 'new production' is—

"(I) any production from a lease from which no royalties are due on production, other than test production, prior to the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act; or

"(II) any production resulting from lease development activities pursuant to a Development Operations Coordination Document, or supplement thereto that would expand production significantly beyond the level anticipated in the Development Operations Coordination Document, approved by the Secretary after the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act.

"(v) During the production of volumes determined pursuant to clauses (ii) or (iii) of this subparagraph, in any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for light sweet crude oil exceeds \$28.00 per barrel, any production of oil will be subject to royalties at the lease stipulated royalty rate. Any production subject to this clause shall be counted toward the production volume determined pursuant to clause (ii) or (iii). Estimated royalty payments will be made if such average of the closing prices for the previous year exceeds \$28.00. After the end of the calendar year, when the new average price can be calculated, lessees will pay any royalties due, with interest but without penalty, or can apply for a refund, with interest, of any overpayment.

"(vi) During the production of volumes determined pursuant to clause (ii) or (iii) of this subparagraph, in any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for natural gas exceeds \$3.50 per million British thermal units, any production of natural gas will be subject to royalties at the lease stipulated royalty rate. Any production subject to this clause shall be counted toward the production volume determined pursuant to clauses (ii) or (iii). Estimated royalty payments will be made if such average of the closing prices for the previous year exceeds

\$3.50. After the end of the calendar year, when the new average price can be calculated, lessees will pay any royalties due, with interest but without penalty, or can apply for a refund, with interest, of any overpayment.

"(vii) The prices referred to in clauses (v) and (vi) of this subparagraph shall be changed during any calendar year after 1994 by the percentage, if any, by which the implicit price deflator for the gross domestic product changed during the preceding calendar year."

SEC. 303. NEW LEASES.

Section 8(a)(1) of the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1337(a)(1)) is amended as follows:

(1) Redesignate section 8(a)(1)(H) as section 8(a)(1)(I); and

(2) Add a new section 8(a)(1)(H) as follows:

"(H) cash bonus bid with royalty at no less than 12 and ½ per centum fixed by the Secretary in amount or value of production saved, removed, or sold, and with suspension of royalties for a period, volume, or value of production determined by the Secretary. Such suspensions may vary based on the price of production from the lease."

SEC. 304. LEASE SALES.

For all tracts located in water depths of 200 meters or greater in the Western and Central Planning Area of the Gulf of Mexico, including that portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, any lease sale within five years of the date of enactment of this title, shall use the bidding system authorized in section 8(a)(1)(H) of the Outer Continental Shelf Lands Act, as amended by this title, except that the suspension of royalties shall be set at a volume of not less than the following:

(1) 17.5 million barrels of oil equivalent for leases in water depths of 200 to 400 meters;

(2) 52.5 million barrels of oil equivalent for leases in 400 to 800 meters of water; and

(3) 87.5 million barrels of oil equivalent for leases in water depths greater than 800 meters.

SEC. 305. REGULATIONS.

The Secretary shall promulgate such rules and regulations as are necessary to implement the provisions of this title within 180 days after the enactment of this Act.

SUPPORTING THE ANGOLA PEACE PROCESS

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Senate Resolution 121, a resolution submitted earlier today by Senators FEINGOLD, KASSEBAUM, HELMS, PELL, and SIMON, regarding the Angola peace process, that the resolution and the preamble be agreed to, the motion to reconsider be laid on the table en bloc, and any statements thereon appear at the appropriate place in the RECORD as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 121) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas Angola has suffered one of the most violent and longest-running civil wars;

Whereas the United States was actively engaged in the war in Angola, has provided more than \$200 million in humanitarian assistance to Angola since 1992, and has been a

key facilitator on the ongoing peace negotiations;

Whereas Angola is the last civil conflict in southern Africa, and regional leaders including South African President Nelson Mandela consider its resolution to be a top priority;

Whereas an enduring peace in Angola, a potentially wealthy country that is central to regional stability and economic development, is in the national interest of the United States;

Whereas the Government of Angola and National Union for the Total Independence of Angola (UNITA) entered into the Lusaka Protocol in November 1994 to secure a U.N.-supervised peace settlement;

Whereas the United Nations Security Council voted in February to send a U.N. peacekeeping mission to Angola to monitor and enforce the peace process, and more than 600 international monitors are deployed throughout the country;

Whereas continuing progress toward peace makes it more likely that further deployment of UNAVEM III will occur soon;

Whereas the meeting between President Eduardo dos Santos and Dr. Jonas Savimbi on May 6, 1995, at which both parties reiterated their commitment to the Lusaka Protocol, demonstrated that they possess the essential political will to resolve outstanding issues, and encouraged all who want peace in Angola;

Whereas achieving a lasting peace will require that all Angolans work together to overcome bitter legacies of war, which include a devastated infrastructure, millions of unexploded landmines, a profound distrust between the parties, weakened civil institutions, a crippled economy, and a generation of young Angolans who have never known a peaceful, civil society;

Whereas strong leadership is essential to ensure that the wealth of Angola, long spent on war, now is used to consolidate peace. Now therefore be it

Resolved, That the Senate:

(1) Congratulates the people of Angola for the courageous and determined steps their leaders have taken in support of peace;

(2) Urges all parties in Angola to continue to strengthen their commitment to the Lusaka process, which constitutes the last, and best, chance for securing an enduring peace;

(3) Affirms that the United States will hold both Angolan parties responsible for abiding by their commitment to peace; and

(4) Calls upon the international community to remain actively engaged in support of national reconciliation, removal of landmines, economic development, and democratization in Angola.

ORDERS FOR THURSDAY, MAY 18, 1995

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 a.m. on Thursday, May 18, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and there be a period for the transaction of morning business not to extend beyond the hour of 12 noon, with Senators to speak for up to 5 minutes each except for the following: Senator SPECTER, 45 minutes; Senator THOMAS, 20 minutes; Senator DORGAN, 20 minutes; Senator CAMPBELL, 15 minutes; Senator REID, 10 minutes; Senator SANTORUM, 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask unanimous consent that at the hour of 12 noon tomorrow the Senate begin consideration

of Senate Concurrent Resolution 13, the concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, for the information of all Senators, the Senate will begin consideration of the budget resolution tomorrow at noon, so I think Senators can expect rollcall votes throughout the day tomorrow, probably late into the evening, and again on Friday and, as I said earlier, on Monday. Because it is our desire to finish the budget resolution either on late Tuesday or Wednesday. And then if possible, take up the antiterrorism measure before the recess, which begins on Friday of next week. I just urge my colleagues, alert my colleagues there will be votes unless something happens I am not aware of on Friday and on Monday.

So, please plan your schedules accordingly.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. DOLE. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 6:10 p.m., recessed until Thursday, May 18, 1995, at 9:15 a.m.