

66

AMENDMENT TO H.R. 3221
OFFERED BY MR. PETERSON OF PENNSYLVANIA

At the end of the bill add the following:

1 **TITLE _____—OFFSHORE GAS**
2 **LEASING**

3 **SEC. __01. SHORT TITLE.**

4 This title may be cited as the “National Environment
5 and Energy Development Act”.

6 **SEC. __02. TERMINATION OF PROHIBITIONS ON EXPENDI-**
7 **TURES FOR, AND WITHDRAWALS FROM, OFF-**
8 **SHORE GAS LEASING.**

9 (a) **PROHIBITIONS ON EXPENDITURES.**—All provi-
10 sions of Federal law that prohibit the expenditure of ap-
11 propriated funds to conduct natural gas leasing and
12 preleasing activities for any area of the Outer Continental
13 Shelf shall have no force or effect with respect to such
14 activities.

15 (b) **REVOCATION WITHDRAWALS.**—All withdrawals
16 of Federal submerged lands of the Outer Continental Shelf
17 from leasing, including withdrawals by the President
18 under the authority of section 12(a) of the Outer Conti-
19 nental Shelf Lands Act (43 U.S.C. 1341(a)), are hereby
20 revoked and are no longer in effect with respect to the

1 leasing of areas for exploration for, and development and
2 production of, natural gas.

3 (c) PROHIBITIONS AND WITHDRAWALS FOR OIL NOT
4 AFFECTED.—This section does not affect—

5 (1) any prohibition on the expenditure of appro-
6 priated funds to conduct oil leasing or preleasing ac-
7 tivities; and

8 (2) any withdrawal of Federal submerged lands
9 from leasing for exploration for, and development
10 and production of, oil.

11 **SEC. 03. OUTER CONTINENTAL SHELF NATURAL GAS**
12 **LEASING PROGRAM.**

13 The Outer Continental Shelf Lands Act (43 U.S.C.
14 1331 et seq.) is amended by inserting after section 9 the
15 following:

16 **“SEC. 10. MORATORIA AREA AND STATE APPROVAL RE-**
17 **QUIREMENT WITH RESPECT TO NATURAL**
18 **GAS LEASING.**

19 “(a) BUFFER ZONE.—The Secretary may not grant
20 any lease for production only of natural gas for any area
21 of the outer Continental Shelf that is located within 25
22 miles of the coastline of a State.

23 “(b) STATE APPROVAL REQUIREMENT.—

24 “(1) IN GENERAL.—The Secretary may not
25 issue any lease authorizing exploration for, or devel-

1 opment of, only natural gas in any area of the outer
2 Continental Shelf that is located within 50 miles of
3 the coastline of a State unless the State has enacted
4 a law approving of the issuance of such leases by the
5 Secretary.

6 “(2) STATE APPROVAL PERMANENT.—Repeal of
7 such a law by a State shall have no effect for pur-
8 poses of paragraph (1).

9 “(c) STATE DISAPPROVAL AUTHORITY.—

10 “(1) IN GENERAL.—The Secretary may not
11 issue any lease authorizing exploration for, or devel-
12 opment of, only natural gas in any area of the outer
13 Continental Shelf that is located more than 50 miles
14 and less than 100 miles from the coastline of a
15 State if the State has enacted a law disapproving of
16 the issuance of such leases by the Secretary.

17 “(2) REQUIREMENTS FOR STATE LAW.—A law
18 enacted by a State for purposes of paragraph (1)—

19 “(A) shall have no force or effect for pur-
20 poses of paragraph (1) unless first enacted by
21 the State within the one-year period beginning
22 on the date of the enactment of the National
23 Environment and Energy Development Act; and

24 “(B) shall have no force or effect for pur-
25 poses of paragraph (1) after the end of the 2-

1 year period beginning on the date it first takes
2 effect, unless the State, in the 2-year period
3 preceding the application of the law for pur-
4 poses of paragraph (1), enacted legislation ex-
5 tending the effectiveness of the law.”.

6 **SEC. 04. SHARING OF REVENUES.**

7 (a) IN GENERAL.—Section 8(g) of the Outer Conti-
8 mental Shelf Lands Act (43 U.S.C. 1337(g)) is amended—

9 (1) in paragraph (2) by striking “Notwith-
10 standing” and inserting “Except as provided in
11 paragraph (6), and notwithstanding”;

12 (2) by redesignating paragraphs (6) and (7) as
13 paragraphs (8) and (9); and

14 (3) by inserting after paragraph (5) the fol-
15 lowing:

16 “(6) BONUS BIDS AND ROYALTIES UNDER
17 QUALIFIED GAS LEASES.—

18 “(A) NEW GAS LEASES.—Of amounts re-
19 ceived by the United States as bonus bids and
20 royalties under any qualified gas lease on sub-
21 merged lands that are located within the sea-
22 ward boundaries of a State established under
23 section 4(a)(2)(A)—

24 “(i) 25 percent shall be deposited in
25 the general fund of the Treasury;

1 “(ii) 37.5 percent shall be paid to the
2 States that are producing States with re-
3 spect to those submerged lands;

4 “(iii) 8.0 percent shall be deposited in
5 the Energy Efficiency and Renewables Re-
6 serve established by paragraph (7);

7 “(iv) 8.0 percent shall be deposited in
8 the Carbon Capture and Sequestration Re-
9 serve established by paragraph (7);

10 “(v) 5.0 percent shall be deposited in
11 the Chesapeake Bay Restoration Reserve
12 established by paragraph (7);

13 “(vi) 5.0 percent shall be deposited in
14 the Great Lakes Restoration Reserve es-
15 tablished by paragraph (7);

16 “(vii) 3.0 percent shall be deposited in
17 the Everglades Restoration Reserve estab-
18 lished by paragraph (7);

19 “(viii) 3.0 percent shall be deposited
20 in the Colorado River Basin Restoration
21 Reserve established by paragraph (7);

22 “(ix) 3.0 percent shall be deposited in
23 the San Francisco Bay Restoration Re-
24 serve established by paragraph (7); and

1 “(x) 2.5 percent shall be available,
2 half to the Secretary of Health and
3 Human Services for carrying out the Low-
4 Income Home Energy Assistance Act of
5 1981 (42 U.S.C. 8621, et seq.) and half to
6 the Secretary of Energy for carrying out
7 the Weatherization Assistance program
8 under part A of title IV of the Energy
9 Conservation and Production Act (42
10 U.S.C. 6861 et seq.).

11 “(B) LEASED TRACT THAT LIES PAR-
12 TIALLY WITHIN THE SEAWARD BOUNDARIES OF
13 A STATE.—In the case of a leased tract that lies
14 partially within the seaward boundaries of a
15 State, the amounts of bonus bids and royalties
16 from such tract that are subject to subpara-
17 graph (A) with respect to such State shall be a
18 percentage of the total amounts of bonus bids
19 and royalties from such tract that is equivalent
20 to the total percentage of surface acreage of the
21 tract that lies within such seaward boundaries.

22 “(C) USE OF PAYMENTS TO STATES.—
23 Amounts paid to a State under subparagraph
24 (A)(ii) shall be used by the State for one or
25 more of the following:

- 1 “(i) Education.
- 2 “(ii) Transportation.
- 3 “(iii) Reducing taxes.
- 4 “(iv) Coastal and environmental res-
- 5 toration.
- 6 “(v) Energy infrastructure and
- 7 projects.
- 8 “(vi) State seismic monitoring pro-
- 9 grams.
- 10 “(vii) Alternative energy development.
- 11 “(viii) Energy efficiency and conserva-
- 12 tion.
- 13 “(ix) Hurricane and natural disaster
- 14 insurance programs.
- 15 “(x) Any other purpose determined by
- 16 State law.
- 17 “(D) DEFINITIONS.—In this paragraph:
- 18 “(i) ADJACENT STATE.—The term
- 19 ‘adjacent State’ means, with respect to any
- 20 program, plan, lease sale, leased tract or
- 21 other activity, proposed, conducted, or ap-
- 22 proved pursuant to the provisions of this
- 23 Act, any State the laws of which are de-
- 24 clared, pursuant to section 4(a)(2), to be
- 25 the law of the United States for the por-

1 tion of the outer Continental Shelf on
2 which such program, plan, lease sale,
3 leased tract, or activity appertains or is, or
4 is proposed to be, conducted.

5 “(ii) ADJACENT ZONE.—The term
6 ‘adjacent zone’ means, with respect to any
7 program, plan, lease sale, leased tract, or
8 other activity, proposed, conducted, or ap-
9 proved pursuant to the provisions of this
10 Act, the portion of the outer Continental
11 Shelf for which the laws of a particular ad-
12 jacent State are declared, pursuant to sec-
13 tion 4(a)(2), to be the law of the United
14 States.

15 “(iii) PRODUCING STATE.—The term
16 ‘producing State’ means an Adjacent State
17 having an adjacent zone containing leased
18 tracts from which are derived bonus bids
19 and royalties under a lease under this Act.

20 “(iv) STATE.—The term ‘State’ in-
21 cludes Puerto Rico and the other Terri-
22 tories of the United States.

23 “(v) QUALIFIED GAS LEASE.—The
24 term ‘qualified gas lease’ means a lease
25 under this Act granted after the date of

1 the enactment of the National Environ-
2 ment and Energy Development Act that
3 authorizes development and production of
4 natural gas and associated condensate.

5 “(E) APPLICATION.—This paragraph shall
6 apply to bonus bids and royalties received by
7 the United States after September 30, 2007.

8 “(7) ESTABLISHMENT OF RESERVE AC-
9 COUNTS.—

10 “(A) IN GENERAL.—For budgetary pur-
11 poses, there is established as a separate account
12 to receive deposits under paragraph (6)(A)—

13 “(i) the Energy Efficiency and Re-
14 newables Reserve to offset the cost of legis-
15 lation enacted after the date of the enact-
16 ment of the National Environment and
17 Energy Development Act to accelerate the
18 use of clean domestic renewable energy re-
19 sources and alternative fuels; to promote
20 the utilization of energy-efficient products
21 and practices and conservation; and to in-
22 crease research, development, and deploy-
23 ment of clean renewable energy and effi-
24 ciency technologies.

- 1 “(ii) the Carbon Capture and Seques-
2 tration Reserve to offset the cost of legisla-
3 tion enacted after the date of the enact-
4 ment of the National Environment and
5 Energy Development Act to promote activi-
6 ties associated with carbon capture and se-
7 questration;
- 8 “(iii) the Chesapeake Bay Restoration
9 Reserve to offset the cost of legislation en-
10 acted after the date of the enactment of
11 the National Environment and Energy De-
12 velopment Act to conduct restoration ac-
13 tivities primarily or entirely within the
14 Chesapeake Bay watershed that seeks to
15 improve the overall health of the ecosystem
16 of the Chesapeake Bay;
- 17 “(iv) the Great Lakes Restoration Re-
18 serve to offset the cost of legislation en-
19 acted after the date of the enactment of
20 the National Environment and Energy De-
21 velopment Act to conduct restoration ac-
22 tivities primarily or entirely within the the
23 Great Lakes watershed that seeks to im-
24 prove the overall health of the ecosystem of
25 the Great Lakes;

1 “(v) the Everglades Restoration Re-
2 serve to offset the cost of legislation en-
3 acted after the date of the enactment of
4 the National Environment and Energy De-
5 velopment Act to conduct restoration ac-
6 tivities primarily or entirely within the
7 Florida Everglades watershed that seeks to
8 improve the overall health of the ecosystem
9 of the Everglades;

10 “(vi) the Colorado River Basin Res-
11 toration Reserve to offset the cost of legis-
12 lation enacted after the date of the enact-
13 ment of the National Environment and
14 Energy Development Act to conduct res-
15 toration activities primarily or entirely
16 within the the Colorado River Basin water-
17 shed that seeks to improve the overall
18 health of the ecosystem of the Colorado
19 River Basin ; and

20 “(vii) the San Francisco Bay Restora-
21 tion Reserve to offset the cost of legislation
22 enacted after the date of the enactment of
23 the National Environment and Energy De-
24 velopment Act to conduct restoration ac-
25 tivities primarily or entirely within the San

1 Francisco Bay, California, watershed that
2 seeks to improve the overall health of the
3 ecosystem of San Francisco Bay.

4 “(B) PROCEDURE FOR ADJUSTMENTS.—

5 “(i) BUDGET COMMITTEE CHAIR-
6 MAN.—After the reporting of a bill or joint
7 resolution, or the offering of an amend-
8 ment thereto or the submission of a con-
9 ference report thereon, providing funding
10 for the purposes set forth in clause (i), (ii),
11 (iii), (iv), (v), (vi), or (vii) of subparagraph
12 (A) in excess of the amount of the deposits
13 under paragraph (6)(A) for those purposes
14 for fiscal year 2007, the chairman of the
15 Committee on the Budget of the applicable
16 House of Congress shall make the adjust-
17 ments set forth in clause (ii) for the
18 amount of new budget authority and out-
19 lays in that measure and the outlays flow-
20 ing from that budget authority.

21 “(ii) MATTERS TO BE ADJUSTED.—
22 The adjustments referred to in clause (i)
23 are to be made to—

24 “(I) the discretionary spending
25 limits, if any, set forth in the appro-

1 appropriate concurrent resolution on the
2 budget;

3 “(II) the allocations made pursu-
4 ant to the appropriate concurrent res-
5 olution on the budget pursuant to sec-
6 tion 302(a) of the Congressional
7 Budget Act of 1974; and

8 “(III) the budget aggregates con-
9 tained in the appropriate concurrent
10 resolution on the budget as required
11 by section 301(a) of the Congressional
12 Budget Act of 1974.

13 “(iii) AMOUNTS OF ADJUSTMENTS.—
14 The adjustments referred to in clauses (i)
15 and (ii) shall not exceed the receipts esti-
16 mated by the Congressional Budget Office
17 that are attributable to this Act for the fis-
18 cal year in which the adjustments are
19 made.

20 “(C) EXPENDITURES ONLY BY SECRETARY
21 OF THE INTERIOR IN CONSULTATION.—Legisla-
22 tion shall not be treated as legislation referred
23 to in subparagraph (A) unless any expenditure
24 under such legislation for a purpose referred to
25 in that subparagraph may be made only by the

1 Secretary of the Interior after consultation with
2 the Administrator of the Environmental Protec-
3 tion Agency, the Administrator of the National
4 Oceanic and Atmospheric Administration, the
5 Secretary of the Army acting through the Corps
6 of Engineers, and, as appropriate, the Secretary
7 of State.

8 “(8) MAINTENANCE OF EFFORT BY STATES.—
9 The Secretary of the Interior, the Secretary of
10 Health and Human Services, and the Secretary of
11 Energy shall ensure that financial assistance pro-
12 vided to a State for any purpose with amounts made
13 available under this subsection or in any legislation
14 with respect to which paragraph (7) applies supple-
15 ment, and do not replace, the amounts expended by
16 the State for that purpose before the date of the en-
17 actment of the National Environment and Energy
18 Development Act.”.

19 (b) ESTABLISHMENT OF STATE SEAWARD BOUND-
20 ARIES.—Section 4(a)(2)(A) of the Outer Continental Shelf
21 Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the
22 first sentence by striking “, and the President” and all
23 that follows through the end of the sentence and inserting
24 the following: “. Such extended lines are deemed to be as
25 indicated on the maps for each Outer Continental Shelf

1 region entitled ‘Alaska OCS Region State Adjacent Zone
2 and OCS Planning Areas’, ‘Pacific OCS Region State Ad-
3 jacent Zones and OCS Planning Areas’, ‘Gulf of Mexico
4 OCS Region State Adjacent Zones and OCS Planning
5 Areas’, and ‘Atlantic OCS Region State Adjacent Zones
6 and OCS Planning Areas’, all of which are dated Sep-
7 tember 2005 and on file in the Office of the Director, Min-
8 erals Management Service. The preceding sentence shall
9 not apply with respect to the treatment under section 105
10 of the Gulf of Mexico Energy Security Act of 2006 (title
11 I of division C of Public Law 109–432) of qualified outer
12 Continental Shelf revenues deposited and disbursed under
13 subsection (a)(2) of that section.”.

14 **SEC. __05. NATURAL GAS LEASING.**

15 Section 8 of the Outer Continental Shelf Lands Act
16 (43 U.S.C. 1337) is further amended by adding at the
17 end the following subsection:

18 “(r) NATURAL GAS LEASING.—

19 “(1) IN GENERAL.—The Secretary may issue
20 leases under this section that authorize development
21 and production of natural gas and associated con-
22 densate in accordance with regulations promulgated
23 under paragraph (2).

1 “(2) REGULATIONS.—Before issuing any lease
2 under paragraph (1), the Secretary must promulgate
3 regulations that—

4 “(A) define what constitutes natural gas,
5 condensate, and oil;

6 “(B) establish the lessee’s rights and obli-
7 gations regarding condensate produced in asso-
8 ciation with natural gas;

9 “(C) prescribe procedures and require-
10 ments that the lessee of a lease issued under
11 this subsection must follow if the lessee dis-
12 covers oil deposits in the course of exploration
13 or development; and

14 “(D) establish such other requirements for
15 natural gas leases as the Secretary considers
16 appropriate.

17 “(3) APPLICATION OF OTHER LAWS.—All provi-
18 sions of this Act or any other Federal law or regula-
19 tions that apply to oil and natural gas leases for the
20 Outer Continental Shelf shall apply to natural gas-
21 only leases authorized under this subsection.

22 “(4) EXISTING LEASES.—At the request of the
23 lessee of an oil and gas lease in effect under this sec-
24 tion on the date of enactment of this subsection, and
25 under the requirements prescribed in regulations

1 promulgated under paragraph (2), the Secretary
2 may restrict development under such a lease to nat-
3 ural gas and associated condensate.

4 “(5) OIL AND GAS LEASING PROGRAMS.—The
5 Secretary may include provisions regarding issuance
6 of natural gas leases in the outer Continental shelf
7 leasing program that applies for the 5-year period
8 beginning in 2007, notwithstanding any draft pro-
9 posal for such program issued before the date of the
10 enactment of this subsection.

11 “(6) PROHIBITIONS AND WITHDRAWALS FOR
12 OIL NOT AFFECTED.—This subsection does not af-
13 fect—

14 “(A) any prohibition on the expenditure of
15 appropriated funds to conduct oil leasing or
16 preleasing activities; and

17 “(B) any withdrawal of Federal submerged
18 lands from leasing for exploration for, and de-
19 velopment and production of, oil.”.

20 **SEC. 06. POLICIES REGARDING BUYING AND BUILDING**
21 **AMERICAN.**

22 (a) INTENT OF CONGRESS.—It is the intent of the
23 Congress that this title, among other things, result in a
24 healthy and growing American industrial, manufacturing,
25 transportation, and service sector employing the vast tal-

1 ents of America's workforce to assist in the development
2 of affordable energy from the Outer Continental Shelf.
3 Moreover, the Congress intends to monitor the deployment
4 of personnel and material in the Outer Continental Shelf
5 to encourage the development of American technology and
6 manufacturing to enable United States workers to benefit
7 from this title by good jobs and careers, as well as the
8 establishment of important industrial facilities to support
9 expanded access to American resources.

10 (b) SAFEGUARD FOR EXTRAORDINARY ABILITY.—
11 Section 30(a) of the Outer Continental Shelf Lands Act
12 (43 U.S.C. 1356(a)) is amended in the matter preceding
13 paragraph (1) by striking “regulations which” and insert-
14 ing “regulations that shall be supplemental and com-
15 plimentary with and under no circumstances a substi-
16 tution for the provisions of the Constitution and laws of
17 the United States extended to the subsoil and seabed of
18 the outer Continental Shelf pursuant to section 4 of this
19 Act, except insofar as such laws would otherwise apply to
20 individuals who have extraordinary ability in the sciences,
21 arts, education, or business, which has been demonstrated
22 by sustained national or international acclaim, and that”.