



Committee on Natural Resources

Rep. Nick J. Rahall, II - Chairman

1324 Longworth House Office Building - Washington DC, 20515 - <http://resourcescommittee.house.gov>

H.R. 3534 – the “Consolidated Land, Energy, and Aquatic Resources (CLEAR) Act” **July 26, 2010**

H.R. 3534 was introduced by House Natural Resources Committee Chairman Nick J. Rahall (D-WV) on September 8, 2009. The Committee held two days of legislative hearings on the bill, as introduced, on September 16 and 17, 2009, and an additional hearing on a Discussion Draft of an Amendment in the Nature of a Substitute (ANS) on June 30, 2010. The Committee reported the bill favorably to the House of Representatives, as amended, on July 14, 2010, by a vote of 27 to 21.

As introduced, the CLEAR Act would make several important changes to current law in an effort to create greater efficiencies, transparency, and accountability in the development of energy resources on federal lands and on the Outer Continental Shelf (OCS). In light of the Deepwater Horizon oil rig explosion that occurred on April 20, 2010, the updated version of the bill includes significant and wide-ranging reforms to ensure that oil and gas development on federal lands and waters is done efficiently while protecting human safety and the environment.

The bill being brought to the floor also incorporates provisions from the **“Blowout Prevention Act of 2010” (H.R. 5626)**, introduced by Rep. Henry A. Waxman (D-CA) and reported favorably, as amended, by the House Energy and Commerce Committee Chairman on July 15, 2010, by a vote of 48 to 0. Additionally, provisions from the **“Oil Spill Accountability and Environmental Protection Act of 2010” (H.R. 5629)** were included; this bill was introduced by Rep. James L. Oberstar (D-MN) and reported favorably, as amended, by the House Transportation and Infrastructure Committee on July 1, 2010, by voice vote.

As amended, the CLEAR Act is a comprehensive energy bill that will increase safety, help restore the Gulf Coast, crackdown on ethical lapses, require businesses to be responsible for their actions, and close royalty loopholes to ensure the American people receive their fair share for the extraction of public resources.

The bill directly responds to the Deepwater Horizon disaster while also looking forward and attempting to prevent the next catastrophe. The bill would require strong new safety standards for offshore drilling, including independent certifications of critical equipment, demonstrations of the ability to respond to future blowouts or major spills, increased inspections, stiffer penalties for safety violations, and an end to the practice of issuing environmental waivers for drilling plans. It would also require all drilling rigs off U.S. coasts to fully adhere to U.S. safety standards. The legislation would create a training academy for federal oil and gas inspectors to help ensure that only qualified individuals serve as inspectors under strict ethical standards.

Responding to a recently released Department of the Interior Inspector General Report that raised serious concerns about the “ease with which [safety inspectors] move between industry and government,” and an analysis by the Washington Post that found three out of four lobbyists working for the oil and gas industry had previously worked in the federal government, the CLEAR Act contains a strong “revolving door” provision that would broaden the scope of prohibited activities and add a 2-year ban on accepting employment with certain companies. The provision would also add new recusal requirements and provide stricter penalties for violations.

The legislation would address the inherent conflict of interest between leasing, policing, and collecting revenue by abolishing for good the scandal-ridden Minerals Management Service (MMS) and dividing it into three separate entities: the Bureau of Energy and Resources Management (BERM), to manage leasing & permitting and conduct necessary environmental studies; the Bureau of Safety and Environmental Enforcement (BSEE), to conduct all inspections and investigations related to health, safety, and environmental regulations; and the Office of Natural Resource Revenue (ONRR), to collect all offshore and onshore oil and gas and renewable energy-related revenues.

Specific provisions of the CLEAR Act would:

- Add teeth to the President’s Commission on the Deepwater Horizon oil spill by giving the Commission subpoena power so they can get the answers they need to get to the bottom of what actually happened. The House passed similar legislation (H.R. 5481) on June 23, 2010.
- Ensure that American taxpayers are not left on the hook to bail out oil companies by increasing the liability limits and the financial responsibility requirements on offshore facilities so responsible parties will cover 100 percent of the oil pollution cleanup costs and damages caused by spills they create.
- Close royalty loopholes that allow companies to get away with shortchanging the American people, including provisions designed to do away with the ability for companies to pay zero royalties during times of high oil prices – consumers paying sky-high gas prices that fuel record profits should not face the indignity of receiving no royalty on the sale of the public’s oil.
- Make good on the promise that money obtained from the sale of the public’s resources be used to protect and conserve our natural, historical, and recreational resources by providing mandatory full funding for the Land and Water Conservation Fund (LWCF) and the Historic Preservation Fund (HPF).
- Create a new trust fund for the oceans so that funds raised from drilling in our oceans will also go toward protecting and improving our oceans. It would also establish a Gulf of Mexico Restoration Program to coordinate the efforts to return the Gulf to health following the oil rig explosion.
- Establish new procedures for the use of chemical dispersants to ensure their safety to water quality and the environment.