



Committee on Natural Resources

Rep. Nick J. Rahall, II - Chairman

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

Summary of the Discussion Draft Amendment in the Nature of a Substitute

[of June 22, 2010 (5:25 p.m.)]

H.R. 3534

The ***"Consolidated Land, Energy, and Aquatic Resources (CLEAR) Act"***

- The Discussion Draft maintains and builds upon the ***"Consolidated Land, Energy, and Aquatic Resources (CLEAR) Act"*** (H.R. 3534), as introduced by House Natural Resources Committee Chairman Nick J. Rahall last year and which was the subject of two days of hearings by the committee. In recognition of the enormous sea change caused by the Deepwater Horizon incident, the draft would enact significant and wide-ranging amendments to ensure that oil and gas development in the U.S. is done efficiently while protecting human safety and the environment. The draft would also create an Oceans Resources Conservation and Assistance Fund (ORCA) with oil and gas leasing revenues and fully fund the Land and Water Conservation Fund (LWCF) and the Historic Preservation Fund (HPF).

The Discussion Draft would:

Reorganize and Consolidate Energy Leasing Programs for Greater Efficiency & Effectiveness

- Abolish the Minerals Management Service and divide it into three separate entities:
 - The Bureau of Energy and Resource Management (BERM), which would manage leasing & permitting both offshore and onshore oil and gas and renewable energy-related activities, and conduct necessary environmental studies;
 - The Bureau of Safety and Environmental Enforcement (BSEE), which would conduct all inspections and investigations, and issue health, safety, and environmental regulations for both offshore and onshore oil and gas and renewable energy-related activities; and

- The Office of Natural Resource Revenue (ONRR), which would collect all offshore and onshore oil and gas and renewable energy-related revenues.
- Ensure that only qualified individuals serve as oil and gas inspectors under strict ethical standards.
- Create a training academy for federal oil and gas inspectors.

Improve the Federal Offshore Leasing Program's Safety & Environmental Protections

- Eliminate the use of Categorical Exclusions under NEPA to approve exploration or development plans.
- Require the inclusion of meaningful blowout and worst-case scenario response plans in all drilling plans.
- Require applicants to have technology that is demonstrated to be able to respond to a worst-case release of oil.
- Ensure compliance with environmental and natural resource conservation laws.
- Extend the 30-day deadline for the review of exploration plans to 90 days.
- Require monthly inspections of all drilling rigs.

Create a Robust Planning Process for Energy Development on the Outer Continental Shelf

- Establish regional ocean councils for the Atlantic, Pacific, Gulf of Mexico, and Alaska regions, which would prepare marine spatial strategic plans to guide OCS energy development.
- Direct 10% of OCS revenues into a new Ocean Resources Conservation and Assistance (ORCA) Fund, which would be used to protect, maintain, and restore ocean, coastal, and Great Lakes ecosystems.
- Increase the involvement of NOAA in the oversight of offshore drilling activities.

Improve Federal Onshore Energy Leasing Programs

- Require federal oil and gas lessees to diligently develop their leases.
- Repeal Section 390 of the Energy Policy Act of 2005 relating to categorical exclusions.
- Impose “best management practices” on oil and gas lessees to ensure they operate in an environmentally sustainable manner.
- Establish a competitive wind and solar leasing program for Federal lands, while allowing non-competitive leases for research and testing.

Improve the Federal Oil and Gas Royalty Collection Program

- Permanently end the Royalty-In-Kind program, which was the source of a major scandal regarding overly-cozy relationships between private industry and government regulators.
- Eliminate the practice of paying interest to oil and gas companies when they overpay royalties.
- Enhance the ability of the government to go after oil and gas lessees that chronically or intentionally shortchange the American people of their rightful royalties.
- Repeal unnecessary royalty relief provisions.

Fully Fund the Land and Water Conservation Fund, the Historic Preservation Fund and the Oceans Resources Conservation and Assistance Fund

- Provide mandatory full funding, beginning in 2011, for the Land and Water Conservation Fund (LWCF), the Historic Preservation Fund (HPF), and the Oceans Resources Conservation and Assistance Fund (ORCA).
- Assess a conservation fee on existing leases that are producing oil or gas from 2011 through 2021 to pay for full funding of the LWCF, the HPF, and the ORCA.

Establish a Restoration Planning Program for the Gulf of Mexico

- Establish a Gulf of Mexico Restoration Planning Program to ensure that Federal and State restoration efforts are coordinated and based on the best available science to achieve the maximum restoration benefits for species, habitats and communities in the Gulf.
- Establish a long term monitoring and research program to ensure the impacts of the spill on the marine and coastal environment are fully documented, understood, and mitigated.
- Establish an emergency habitat restoration and establishment program to ensure that species that migrate through the Gulf, particularly waterfowl and other birds, have habitat available outside the areas impacted by the spill.