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AN ACT

To provide for exploration, development, and production activities for mineral resources on the outer Continental Shelf, and for other purposes.

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 “Deep Ocean Energy
5 Resources Act of 2006”.

6 **SEC. 2. POLICY.**

7 It is the policy of the United States that—

1 (1) the United States is blessed with abundant
2 energy resources on the outer Continental Shelf and
3 has developed a comprehensive framework of envi-
4 ronmental laws and regulations and fostered the de-
5 velopment of state-of-the-art technology that allows
6 for the responsible development of these resources
7 for the benefit of its citizenry;

8 (2) adjacent States are required by the cir-
9 cumstances to commit significant resources in sup-
10 port of exploration, development, and production ac-
11 tivities for mineral resources on the outer Conti-
12 nental Shelf, and it is fair and proper for a portion
13 of the receipts from such activities to be shared with
14 Adjacent States and their local coastal governments;

15 (3) the existing laws governing the leasing and
16 production of the mineral resources of the outer
17 Continental Shelf have reduced the production of
18 mineral resources, have preempted Adjacent States
19 from being sufficiently involved in the decisions re-
20 garding the allowance of mineral resource develop-
21 ment, and have been harmful to the national inter-
22 est;

23 (4) the national interest is served by granting
24 the Adjacent States more options related to whether

1 or not mineral leasing should occur in the outer
2 Continental Shelf within their Adjacent Zones;

3 (5) it is not reasonably foreseeable that explo-
4 ration of a leased tract located more than 25 miles
5 seaward of the coastline, development and produc-
6 tion of a natural gas discovery located more than 25
7 miles seaward of the coastline, or development and
8 production of an oil discovery located more than 50
9 miles seaward of the coastline will adversely affect
10 resources near the coastline;

11 (6) transportation of oil from a leased tract
12 might reasonably be foreseen, under limited cir-
13 cumstances, to have the potential to adversely affect
14 resources near the coastline if the oil is within 50
15 miles of the coastline, but such potential to adversely
16 affect such resources is likely no greater, and prob-
17 ably less, than the potential impacts from tanker
18 transportation because tanker spills usually involve
19 large releases of oil over a brief period of time; and

20 (7) among other bodies of inland waters, the
21 Great Lakes, Long Island Sound, Delaware Bay,
22 Chesapeake Bay, Albemarle Sound, San Francisco
23 Bay, and Puget Sound are not part of the outer
24 Continental Shelf, and are not subject to leasing by
25 the Federal Government for the exploration, develop-

1 includes Puerto Rico and the other Territories of the
2 United States.

3 “(s) The term ‘Adjacent Zone’ means, with respect
4 to any program, plan, lease sale, leased tract, or other ac-
5 tivity, proposed, conducted, or approved pursuant to the
6 provisions of this Act, the portion of the outer Continental
7 Shelf for which the laws of a particular Adjacent State
8 are declared, pursuant to section 4(a)(2), to be the law
9 of the United States.

10 “(t) The term ‘miles’ means statute miles.

11 “(u) The term ‘coastline’ has the same meaning as
12 the term ‘coast line’ as defined in section 2(c) of the Sub-
13 merged Lands Act (43 U.S.C. 1301(c)).

14 “(v) The term ‘Neighboring State’ means a coastal
15 State having a common boundary at the coastline with the
16 Adjacent State.”; and

17 (5) in paragraph (a), by inserting after “con-
18 trol” the following: “or lying within the United
19 States exclusive economic zone adjacent to the Terri-
20 tories of the United States”.

21 **SEC. 4. DETERMINATION OF ADJACENT ZONES AND PLAN-**
22 **NING AREAS.**

23 Section 4(a)(2)(A) of the Outer Continental Shelf
24 Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the
25 first sentence by striking “, and the President” and all

1 that follows through the end of the sentence and inserting
2 the following: “. The lines extending seaward and defining
3 each State’s Adjacent Zone, and each OCS Planning Area,
4 are as indicated on the maps for each outer Continental
5 Shelf region entitled ‘Alaska OCS Region State Adjacent
6 Zone and OCS Planning Areas’, ‘Pacific OCS Region
7 State Adjacent Zones and OCS Planning Areas’, ‘Gulf of
8 Mexico OCS Region State Adjacent Zones and OCS Plan-
9 ning Areas’, and ‘Atlantic OCS Region State Adjacent
10 Zones and OCS Planning Areas’, all of which are dated
11 September 2005 and on file in the Office of the Director,
12 Minerals Management Service.”.

13 **SEC. 5. ADMINISTRATION OF LEASING.**

14 Section 5 of the Outer Continental Shelf Lands Act
15 (43 U.S.C. 1334) is amended by adding at the end the
16 following:

17 “(k) VOLUNTARY PARTIAL RELINQUISHMENT OF A
18 LEASE.—Any lessee of a producing lease may relinquish
19 to the Secretary any portion of a lease that the lessee has
20 no interest in producing and that the Secretary finds is
21 geologically prospective. In return for any such relinquis-
22 ment, the Secretary shall provide to the lessee a royalty
23 incentive for the portion of the lease retained by the lessee,
24 in accordance with regulations promulgated by the Sec-
25 retary to carry out this subsection. The Secretary shall

1 publish final regulations implementing this subsection
2 within 365 days after the date of the enactment of the
3 Deep Ocean Energy Resources Act of 2006.

4 “(1) NATURAL GAS LEASE REGULATIONS.—Not later
5 than July 1, 2007, the Secretary shall publish a final regu-
6 lation that shall—

7 “(1) establish procedures for entering into nat-
8 ural gas leases;

9 “(2) ensure that natural gas leases are only
10 available for tracts on the outer Continental Shelf
11 that are wholly within 100 miles of the coastline
12 within an area withdrawn from disposition by leas-
13 ing on the day after the date of enactment of the
14 Deep Ocean Energy Resources Act of 2006;

15 “(3) provide that natural gas leases shall con-
16 tain the same rights and obligations established for
17 oil and gas leases, except as otherwise provided in
18 the Deep Ocean Energy Resources Act of 2006;

19 “(4) provide that, in reviewing the adequacy of
20 bids for natural gas leases, the value of any crude
21 oil estimated to be contained within any tract shall
22 be excluded;

23 “(5) provide that any crude oil produced from
24 a well and reinjected into the leased tract shall not
25 be subject to payment of royalty, and that the Sec-

1 retary shall consider, in setting the royalty rates for
2 a natural gas lease, the additional cost to the lessee
3 of not producing any crude oil; and

4 “(6) provide that any Federal law that applies
5 to an oil and gas lease on the outer Continental
6 Shelf shall apply to a natural gas lease unless other-
7 wise clearly inapplicable.”.

8 **SEC. 6. GRANT OF LEASES BY SECRETARY.**

9 Section 8 of the Outer Continental Shelf Lands Act
10 (43 U.S.C. 1337) is amended—

11 (1) in subsection (a)(1) by inserting after the
12 first sentence the following: “Further, the Secretary
13 may grant natural gas leases in a manner similar to
14 the granting of oil and gas leases and under the var-
15 ious bidding systems available for oil and gas
16 leases.”;

17 (2) by adding at the end of subsection (b) the
18 following:

19 “The Secretary may issue more than one lease for a given
20 tract if each lease applies to a separate and distinct range
21 of vertical depths, horizontal surface area, or a combina-
22 tion of the two. The Secretary may issue regulations that
23 the Secretary determines are necessary to manage such
24 leases consistent with the purposes of this Act.”;

1 (3) by amending subsection (p)(2)(B) to read
2 as follows:

3 “(B) The Secretary shall provide for the pay-
4 ment to coastal states, and their local coastal gov-
5 ernments, of 75 percent of Federal receipts from
6 projects authorized under this section located par-
7 tially or completely within the area extending sea-
8 ward of State submerged lands out to 4 marine
9 leagues from the coastline, and the payment to
10 coastal states of 50 percent of the receipts from
11 projects completely located in the area more than 4
12 marine leagues from the coastline. Payments shall
13 be based on a formula established by the Secretary
14 by rulemaking no later than 180 days after the date
15 of the enactment of the Deep Ocean Energy Re-
16 sources Act of 2006 that provides for equitable dis-
17 tribution, based on proximity to the project, among
18 coastal states that have coastline that is located
19 within 200 miles of the geographic center of the
20 project.”.

21 (4) by adding at the end the following:

22 “(q) NATURAL GAS LEASES.—

23 “(1) RIGHT TO PRODUCE NATURAL GAS.—A
24 lessee of a natural gas lease shall have the right to
25 produce the natural gas from a field on a natural

1 gas leased tract if the Secretary estimates that the
2 discovered field has at least 40 percent of the eco-
3 nomically recoverable Btu content of the field con-
4 tained within natural gas and such natural gas is ec-
5 onomical to produce.

6 “(2) CRUDE OIL.—A lessee of a natural gas
7 lease may not produce crude oil from the lease.

8 “(3) ESTIMATES OF BTU CONTENT.—The Sec-
9 retary shall make estimates of the natural gas Btu
10 content of discovered fields on a natural gas lease
11 only after the completion of at least one exploration
12 well, the data from which has been tied to the re-
13 sults of a three-dimensional seismic survey of the
14 field. The Secretary may not require the lessee to
15 further delineate any discovered field prior to mak-
16 ing such estimates.

17 “(4) DEFINITION OF NATURAL GAS.—For pur-
18 poses of a natural gas lease, natural gas means nat-
19 ural gas and all substances produced in association
20 with gas, including, but not limited to, hydrocarbon
21 liquids (other than crude oil) that are obtained by
22 the condensation of hydrocarbon vapors and sepa-
23 rate out in liquid form from the produced gas
24 stream.

1 “(r) REMOVAL OF RESTRICTIONS ON JOINT BIDDING
2 IN CERTAIN AREAS OF THE OUTER CONTINENTAL
3 SHELF.—Restrictions on joint bidders shall no longer
4 apply to tracts located in the Alaska OCS Region. Such
5 restrictions shall not apply to tracts in other OCS regions
6 determined to be ‘frontier tracts’ or otherwise ‘high cost
7 tracts’ under final regulations that shall be published by
8 the Secretary by not later than 365 days after the date
9 of the enactment of the Deep Ocean Energy Resources
10 Act of 2006.

11 “(s) ROYALTY SUSPENSION PROVISIONS.—The Sec-
12 retary shall agree to a request by any lessee to amend
13 any lease issued for Central and Western Gulf of Mexico
14 tracts during the period of January 1, 1998, through De-
15 cember 31, 1999, to incorporate price thresholds applica-
16 ble to royalty suspension provisions, or amend existing
17 price thresholds, in the amount of \$40.50 per barrel (2006
18 dollars) for oil and for natural gas of \$6.75 per million
19 Btu (2006 dollars). Any amended lease shall impose the
20 new or revised price thresholds effective October 1, 2005.
21 Existing lease provisions shall prevail through September
22 30, 2005. After the date of the enactment of the Deep
23 Ocean Energy Resources Act of 2006, price thresholds
24 shall apply to any royalty suspension volumes granted by
25 the Secretary. Unless otherwise set by Secretary by regu-

1 lation or for a particular lease sale, the price thresholds
2 shall be \$40.50 for oil (2006 dollars) and \$6.75 for nat-
3 ural gas (2006 dollars).

4 “(t) CONSERVATION OF RESOURCES FEES.—

5 “(1) Not later than one year after the date of
6 the enactment of the Deep Ocean Energy Resources
7 Act of 2006, the Secretary by regulation shall estab-
8 lish a conservation of resources fee for producing
9 leases that will apply to new and existing leases
10 which shall be set at \$9 per barrel for oil and \$1.25
11 per million Btu for gas. This fee shall only apply to
12 leases in production located in more than 200 me-
13 ters of water for which royalties are not being paid
14 when prices exceed \$40.50 per barrel for oil and
15 \$6.75 per million Btu for natural gas in 2006, dol-
16 lars. This fee shall apply to production from and
17 after October 1, 2005, and shall be treated as offset-
18 ting receipts.

19 “(2) Not later than one year after the date of
20 the enactment of the Deep Ocean Energy Resources
21 Act of 2006, the Secretary by regulation shall estab-
22 lish a conservation of resources fee for nonproducing
23 leases that will apply to new and existing leases
24 which shall be set at \$3.75 per acre per year. This

1 fee shall apply from and after October 1, 2005, and
2 shall be treated as offsetting receipts.”;

3 (5) by striking subsection (a)(3)(A) and redesi-
4 gnating the subsequent subparagraphs as subpara-
5 graphs (A) and (B), respectively;

6 (6) in subsection (a)(3)(A) (as so redesignated)
7 by striking “In the Western” and all that follows
8 through “the Secretary” the first place it appears
9 and inserting “The Secretary”; and

10 (7) effective October 1, 2006, in subsection
11 (g)—

12 (A) by striking all after “(g)”, except para-
13 graph (3);

14 (B) by striking the last sentence of para-
15 graph (3); and

16 (C) by striking “(3)”.

17 **SEC. 7. DISPOSITION OF RECEIPTS.**

18 Section 9 of the Outer Continental Shelf Lands Act
19 (43 U.S.C. 1338) is amended—

20 (1) by designating the existing text as sub-
21 section (a);

22 (2) in subsection (a) (as so designated) by in-
23 serting “, if not paid as otherwise provided in this
24 title” after “receipts”; and

25 (3) by adding the following:

1 “(b) TREATMENT OF OCS RECEIPTS FROM TRACTS
2 COMPLETELY WITHIN 100 MILES OF THE COASTLINE.—

3 “(1) DEPOSIT.—The Secretary shall deposit
4 into a separate account in the Treasury the portion
5 of OCS Receipts for each fiscal year that will be
6 shared under paragraphs (2), (3), and (4).

7 “(2) PHASED-IN RECEIPTS SHARING.—

8 “(A) Beginning October 1, 2005, the Sec-
9 retary shall share OCS Receipts derived from
10 the following areas:

11 “(i) Lease tracts located on portions
12 of the Gulf of Mexico OCS Region com-
13 pletely beyond 4 marine leagues from any
14 coastline and completely within 100 miles
15 of any coastline that are available for leas-
16 ing under the 2002–2007 5-Year Oil and
17 Gas Leasing Program in effect prior to the
18 date of the enactment of the Deep Ocean
19 Energy Resources Act of 2006.

20 “(ii) Lease tracts in production prior
21 to October 1, 2005, completely beyond 4
22 marine leagues from any coastline and
23 completely within 100 miles of any coast-
24 line located on portions of the OCS that
25 were not available for leasing under the

1 2002–2007 5-Year OCS Oil and Gas Leas-
2 ing Program in effect prior to the date of
3 the enactment of the Deep Ocean Energy
4 Resources Act of 2006.

5 “(iii) Lease tracts for which leases are
6 issued prior to October 1, 2005, located in
7 the Alaska OCS Region completely beyond
8 4 marine leagues from any coastline and
9 completely within 100 miles of the coast-
10 line.

11 “(B) The Secretary shall share the fol-
12 lowing percentages of OCS Receipts from the
13 leases described in subparagraph (A) derived
14 during the fiscal year indicated:

15 “(i) For fiscal year 2006, 4.6 percent.

16 “(ii) For fiscal year 2007, 5.95 per-
17 cent.

18 “(iii) For fiscal year 2008, 6.8 per-
19 cent.

20 “(iv) For fiscal year 2009, 7.65 per-
21 cent.

22 “(v) For fiscal year 2010, 10.20 per-
23 cent.

24 “(vi) For fiscal year 2011, 12.75 per-
25 cent.

1 “(vii) For fiscal year 2012, 15.30 per-
2 cent.

3 “(viii) For fiscal year 2013, 17.85
4 percent.

5 “(ix) For fiscal year 2014, 20.40 per-
6 cent.

7 “(x) For fiscal year 2015, 22.95 per-
8 cent.

9 “(xi) For fiscal year 2016, 25.50 per-
10 cent.

11 “(xii) For fiscal year 2017, 28.05 per-
12 cent.

13 “(xiii) For fiscal year 2018, 30.60
14 percent.

15 “(xiv) For fiscal year 2019, 33.15
16 percent.

17 “(xv) For fiscal year 2020, 35.70 per-
18 cent.

19 “(xvi) For fiscal year 2021, 38.25
20 percent.

21 “(xvii) For fiscal year 2022 and each
22 subsequent fiscal year, 42.50 percent.

23 “(C) The provisions of this paragraph shall
24 not apply to leases that could not have been
25 issued but for section 5(k) of this Act or section

1 6(2) of the Deep Ocean Energy Resources Act
2 of 2006.

3 “(3) IMMEDIATE RECEIPTS SHARING.—Begin-
4 ning October 1, 2005, the Secretary shall share
5 42.50 percent of OCS Receipts derived from all
6 leases located completely beyond 4 marine leagues
7 from any coastline and completely within 100 miles
8 of any coastline not included within the provisions of
9 paragraph (2).

10 “(4) RECEIPTS SHARING FROM TRACTS WITHIN
11 4 MARINE LEAGUES OF ANY COASTLINE.—

12 “(A) AREAS DESCRIBED IN PARAGRAPH
13 (2).—

14 “(i) Beginning October 1, 2005, and
15 continuing through September 30, 2010,
16 the Secretary shall share 25 percent of
17 OCS Receipts derived from all leases lo-
18 cated within 4 marine leagues from any
19 coastline within areas described in para-
20 graph (2). For each fiscal year after Sep-
21 tember 30, 2010, the Secretary shall in-
22 crease the percent shared in 5 percent in-
23 crements each fiscal year until the sharing
24 rate for all leases located within 4 marine
25 leagues from any coastline within areas de-

1 scribed in paragraph (2) becomes 42.5 per-
2 cent.

3 “(ii) During fiscal year 2016, the Sec-
4 retary shall conduct an analysis of all of
5 the areas described in paragraph (3) and
6 subsection (c)(3) to determine the total of
7 OCS Receipts derived from such areas dur-
8 ing the period of fiscal year 2007 through
9 fiscal year 2016. The Secretary shall sub-
10 tract the amount of \$4 billion from the
11 total of such OCS Receipts. If the result is
12 a positive number, the Secretary shall di-
13 vide such positive number by \$4 billion.
14 The resulting quotient, not to exceed 0.5,
15 shall then be multiplied times 25. The
16 product of such multiplication shall be
17 added to 42.5 and the sum shall be the
18 percent that the Secretary shall share for
19 fiscal year 2017 and all future years from
20 OCS Receipts derived from all leases lo-
21 cated within 4 marine leagues from any
22 coastline within areas described in para-
23 graph (2), unless increased by the provi-
24 sions of (iii).

1 “(iii) Beginning October 1, 2017, the
2 Secretary shall share, in addition to the
3 share established by (i), as modified by (ii)
4 if any, amounts determined as follows,
5 with the total of the amounts shared under
6 this paragraph not to exceed in any fiscal
7 year an amount equal to 63.75 percent of
8 total OCS Receipts derived from all leases
9 located within 4 marine leagues from any
10 coastline within areas described in para-
11 graph (2)—25 percent of the total of OCS
12 Receipts derived from areas described in
13 paragraph (3) and subsection (c)(3) that
14 exceed the following amounts for the fiscal
15 year indicated: for fiscal year 2017 the
16 amount of \$900,000,000 and for each fis-
17 cal year thereafter add \$100,000,000.
18 Amounts added under this clause to be
19 shared, if any, for any fiscal year shall be
20 added to the sharing base for all subse-
21 quent years and shall be allocated among
22 State Adjacent Zones on a basis propor-
23 tional to the result from the calculation in
24 clause (i).

1 “(B) AREAS NOT DESCRIBED IN PARA-
2 GRAPH (2).—Beginning October 1, 2005, the
3 Secretary shall share 63.75 percent of OCS re-
4 ceipts derived from all leases located completely
5 or partially within 4 marine leagues from any
6 coastline within areas not described paragraph
7 (2).

8 “(5) ALLOCATIONS.—The Secretary shall allo-
9 cate the OCS Receipts deposited into the separate
10 account established by paragraph (1) that are
11 shared under paragraphs (2), (3), and (4) as follows:

12 “(A) BONUS BIDS.—Deposits derived from
13 bonus bids from a leased tract, including inter-
14 est thereon, shall be allocated at the end of
15 each fiscal year to the Adjacent State.

16 “(B) ROYALTIES.—Deposits derived from
17 royalties from a leased tract, including interest
18 thereon, shall be allocated at the end of each
19 fiscal year to the Adjacent State and any other
20 producing State or States with a leased tract
21 within its Adjacent Zone within 100 miles of its
22 coastline that generated royalties during the fis-
23 cal year, if the other producing or States have
24 a coastline point within 300 miles of any por-

1 tion of the leased tract, in which case the
2 amount allocated for the leased tract shall be—

3 “(i) one-third to the Adjacent State;

4 and

5 “(ii) two-thirds to each producing
6 State, including the Adjacent State, in-
7 versely proportional to the distance be-
8 tween the nearest point on the coastline of
9 the producing State and the geographic
10 center of the leased tract.

11 “(c) TREATMENT OF OCS RECEIPTS FROM TRACTS
12 PARTIALLY OR COMPLETELY BEYOND 100 MILES OF THE
13 COASTLINE.—

14 “(1) DEPOSIT.—The Secretary shall deposit
15 into a separate account in the Treasury the portion
16 of OCS Receipts for each fiscal year that will be
17 shared under paragraphs (2) and (3).

18 “(2) PHASED-IN RECEIPTS SHARING.—

19 “(A) Beginning October 1, 2005, the Sec-
20 retary shall share OCS Receipts derived from
21 the following areas:

22 “(i) Lease tracts located on portions
23 of the Gulf of Mexico OCS Region partially
24 or completely beyond 100 miles of any
25 coastline that were available for leasing

1 under the 2002–2007 5-Year Oil and Gas
2 Leasing Program in effect prior to the
3 date of enactment of the Deep Ocean En-
4 ergy Resources Act of 2006.

5 “(ii) Lease tracts in production prior
6 to October 1, 2005, partially or completely
7 beyond 100 miles of any coastline located
8 on portions of the OCS that were not
9 available for leasing under the 2002–2007
10 5-Year OCS Oil and Gas Leasing Program
11 in effect prior to the date of enactment of
12 the Deep Ocean Energy Resources Act of
13 2006.

14 “(iii) Lease tracts for which leases are
15 issued prior to October 1, 2005, located in
16 the Alaska OCS Region partially or com-
17 pletely beyond 100 miles of the coastline.

18 “(B) The Secretary shall share the fol-
19 lowing percentages of OCS Receipts from the
20 leases described in subparagraph (A) derived
21 during the fiscal year indicated:

22 “(i) For fiscal year 2006, 4.6 percent.

23 “(ii) For fiscal year 2007, 5.95 per-
24 cent.

1 “(iii) For fiscal year 2008, 6.80 per-
2 cent.

3 “(iv) For fiscal year 2009, 7.65 per-
4 cent.

5 “(v) For fiscal year 2010, 10.20 per-
6 cent.

7 “(vi) For fiscal year 2011, 12.75 per-
8 cent.

9 “(vii) For fiscal year 2012, 15.30 per-
10 cent.

11 “(viii) For fiscal year 2013, 17.85
12 percent.

13 “(ix) For fiscal year 2014, 20.40 per-
14 cent.

15 “(x) For fiscal year 2015, 22.95 per-
16 cent.

17 “(xi) For fiscal year 2016, 25.50 per-
18 cent.

19 “(xii) For fiscal year 2017, 28.05 per-
20 cent.

21 “(xiii) For fiscal year 2018, 30.60
22 percent.

23 “(xiv) For fiscal year 2019, 33.15
24 percent.

1 “(xv) For fiscal year 2020, 35.70 per-
2 cent.

3 “(xvi) For fiscal year 2021, 38.25
4 percent.

5 “(xvii) For fiscal year 2022 and each
6 subsequent fiscal year, 42.50 percent.

7 “(C) The provisions of this paragraph shall
8 not apply to leases that could not have been
9 issued but for section 5(k) of this Act or section
10 6(2) of the Deep Ocean Energy Resources Act
11 of 2006.

12 “(3) IMMEDIATE RECEIPTS SHARING.—Begin-
13 ning October 1, 2005, the Secretary shall share 42.5
14 percent of OCS Receipts derived on and after Octo-
15 ber 1, 2005, from all leases located partially or com-
16 pletely beyond 100 miles of any coastline not in-
17 cluded within the provisions of paragraph (2), except
18 that the Secretary shall only share 25 percent of
19 such OCS Receipts derived from all such leases
20 within a State’s Adjacent Zone if no leasing is al-
21 lowed within any portion of that State’s Adjacent
22 Zone located completely within 100 miles of any
23 coastline.

24 “(4) ALLOCATIONS.—The Secretary shall allo-
25 cate the OCS Receipts deposited into the separate

1 account established by paragraph (1) that are
2 shared under paragraphs (2) and (3) as follows:

3 “(A) BONUS BIDS.—Deposits derived from
4 bonus bids from a leased tract, including inter-
5 est thereon, shall be allocated at the end of
6 each fiscal year to the Adjacent State.

7 “(B) ROYALTIES.—Deposits derived from
8 royalties from a leased tract, including interest
9 thereon, shall be allocated at the end of each
10 fiscal year to the Adjacent State and any other
11 producing State or States with a leased tract
12 within its Adjacent Zone partially or completely
13 beyond 100 miles of its coastline that generated
14 royalties during the fiscal year, if the other pro-
15 ducing State or States have a coastline point
16 within 300 miles of any portion of the leased
17 tract, in which case the amount allocated for
18 the leased tract shall be—

19 “(i) one-third to the Adjacent State;

20 and

21 “(ii) two-thirds to each producing
22 State, including the Adjacent State, in-
23 versely proportional to the distance be-
24 tween the nearest point on the coastline of

1 the producing State and the geographic
2 center of the leased tract.

3 “(d) TRANSMISSION OF ALLOCATIONS.—

4 “(1) IN GENERAL.—Not later than 90 days
5 after the end of each fiscal year, the Secretary shall
6 transmit—

7 “(A) to each State 60 percent of such
8 State’s allocations under subsections (b)(5)(A),
9 (b)(5)(B), (c)(4)(A), and (c)(4)(B) for the im-
10 mediate prior fiscal year;

11 “(B) to each coastal county-equivalent and
12 municipal political subdivisions of such State a
13 total of 40 percent of such State’s allocations
14 under subsections (b)(5)(A), (b)(5)(B),
15 (c)(4)(A), and (c)(4)(B), together with all ac-
16 crued interest thereon; and

17 “(C) the remaining allocations under sub-
18 sections (b)(5) and (c)(4), together with all ac-
19 crued interest thereon.

20 “(2) ALLOCATIONS TO COASTAL COUNTY-
21 EQUIVALENT POLITICAL SUBDIVISIONS.—The Sec-
22 retary shall make an initial allocation of the OCS
23 Receipts to be shared under paragraph (1)(B) as fol-
24 lows:

1 “(A) 25 percent shall be allocated to coast-
2 al county-equivalent political subdivisions that
3 are completely more than 25 miles landward of
4 the coastline and at least a part of which lies
5 not more than 75 miles landward from the
6 coastline, with the allocation among such coast-
7 al county-equivalent political subdivisions based
8 on population.

9 “(B) 75 percent shall be allocated to coast-
10 al county-equivalent political subdivisions that
11 are completely or partially less than 25 miles
12 landward of the coastline, with the allocation
13 among such coastal county-equivalent political
14 subdivisions to be further allocated as follows:

15 “(i) 25 percent shall be allocated
16 based on the ratio of such coastal county-
17 equivalent political subdivision’s population
18 to the coastal population of all coastal
19 county-equivalent political subdivisions in
20 the State.

21 “(ii) 25 percent shall be allocated
22 based on the ratio of such coastal county-
23 equivalent political subdivision’s coastline
24 miles to the coastline miles of all coastal
25 county-equivalent political subdivisions in

1 the State as calculated by the Secretary.
2 In such calculations, coastal county-equiva-
3 lent political subdivisions without a coast-
4 line shall be considered to have 50 percent
5 of the average coastline miles of the coast-
6 al county-equivalent political subdivisions
7 that do have coastlines.

8 “(iii) 25 percent shall be allocated to
9 all coastal county-equivalent political sub-
10 divisions having a coastline point within
11 300 miles of the leased tract for which
12 OCS Receipts are being shared based on a
13 formula that allocates the funds based on
14 such coastal county-equivalent political
15 subdivision’s relative distance from the
16 leased tract.

17 “(iv) 25 percent shall be allocated to
18 all coastal county-equivalent political sub-
19 divisions having a coastline point within
20 300 miles of the leased tract for which
21 OCS Receipts are being shared based on
22 the relative level of outer Continental Shelf
23 oil and gas activities in a coastal political
24 subdivision compared to the level of outer
25 Continental Shelf activities in all coastal

1 political subdivisions in the State. The Sec-
2 retary shall define the term ‘outer Conti-
3 nental Shelf oil and gas activities’ for pur-
4 poses of this subparagraph to include, but
5 not be limited to, construction of vessels,
6 drillships, and platforms involved in explo-
7 ration, production, and development on the
8 outer Continental Shelf; support and sup-
9 ply bases, ports, and related activities; of-
10 fices of geologists, geophysicists, engineers,
11 and other professionals involved in support
12 of exploration, production, and develop-
13 ment of oil and gas on the outer Conti-
14 nental Shelf; pipelines and other means of
15 transporting oil and gas production from
16 the outer Continental Shelf; and processing
17 and refining of oil and gas production from
18 the outer Continental Shelf. For purposes
19 of this subparagraph, if a coastal county-
20 equivalent political subdivision does not
21 have a coastline, its coastal point shall be
22 the point on the coastline closest to it.

23 “(3) ALLOCATIONS TO COASTAL MUNICIPAL PO-
24 LITICAL SUBDIVISIONS.—The initial allocation to
25 each coastal county-equivalent political subdivision

1 under paragraph (2) shall be further allocated to the
2 coastal county-equivalent political subdivision and
3 any coastal municipal political subdivisions located
4 partially or wholly within the boundaries of the
5 coastal county-equivalent political subdivision as fol-
6 lows:

7 “(A) One-third shall be allocated to the
8 coastal county-equivalent political subdivision.

9 “(B) Two-thirds shall be allocated on a per
10 capita basis to the municipal political subdivi-
11 sions and the county-equivalent political sub-
12 division, with the allocation to the latter based
13 upon its population not included within the
14 boundaries of a municipal political subdivision.

15 “(e) INVESTMENT OF DEPOSITS.—Amounts depos-
16 ited under this section shall be invested by the Secretary
17 of the Treasury in securities backed by the full faith and
18 credit of the United States having maturities suitable to
19 the needs of the account in which they are deposited and
20 yielding the highest reasonably available interest rates as
21 determined by the Secretary of the Treasury.

22 “(f) USE OF FUNDS.—A recipient of funds under this
23 section may use the funds for one or more of the following:

24 “(1) To reduce in-State college tuition at public
25 institutions of higher learning and otherwise support

1 public education, including career technical edu-
2 cation.

3 “(2) To make transportation infrastructure im-
4 provements.

5 “(3) To reduce taxes.

6 “(4) To promote, fund, and provide for—

7 “(A) coastal or environmental restoration;

8 “(B) fish, wildlife, and marine life habitat
9 enhancement;

10 “(C) waterways construction and mainte-
11 nance;

12 “(D) levee construction and maintenance
13 and shore protection; and

14 “(E) marine and oceanographic education
15 and research.

16 “(5) To promote, fund, and provide for —

17 “(A) infrastructure associated with energy
18 production activities conducted on the outer
19 Continental Shelf;

20 “(B) energy demonstration projects;

21 “(C) supporting infrastructure for shore-
22 based energy projects;

23 “(D) State geologic programs, including
24 geologic mapping and data storage programs,
25 and state geophysical data acquisition;

1 “(E) State seismic monitoring programs,
2 including operation of monitoring stations;

3 “(F) development of oil and gas resources
4 through enhanced recovery techniques;

5 “(G) alternative energy development, in-
6 cluding bio fuels, coal-to-liquids, oil shale, tar
7 sands, geothermal, geopressure, wind, waves,
8 currents, hydro, and other renewable energy;

9 “(H) energy efficiency and conservation
10 programs; and

11 “(I) front-end engineering and design for
12 facilities that produce liquid fuels from hydro-
13 carbons and other biological matter.

14 “(6) To promote, fund, and provide for—

15 “(A) historic preservation programs and
16 projects;

17 “(B) natural disaster planning and re-
18 sponse; and

19 “(C) hurricane and natural disaster insur-
20 ance programs.

21 “(7) For any other purpose as determined by
22 State law.

23 “(g) NO ACCOUNTING REQUIRED.—No recipient of
24 funds under this section shall be required to account to
25 the Federal Government for the expenditure of such

1 funds, except as otherwise may be required by law. How-
2 ever, States may enact legislation providing for accounting
3 for and auditing of such expenditures. Further, funds allo-
4 cated under this section to States and political subdivi-
5 sions may be used as matching funds for other Federal
6 programs.

7 “(h) EFFECT OF FUTURE LAWS.—Enactment of any
8 future Federal statute that has the effect, as determined
9 by the Secretary, of restricting any Federal agency from
10 spending appropriated funds, or otherwise preventing it
11 from fulfilling its pre-existing responsibilities as of the
12 date of enactment of the statute, unless such responsibil-
13 ities have been reassigned to another Federal agency by
14 the statute with no prevention of performance, to issue
15 any permit or other approval impacting on the OCS oil
16 and gas leasing program, or any lease issued thereunder,
17 or to implement any provision of this Act shall automati-
18 cally prohibit any sharing of OCS Receipts under this sec-
19 tion directly with the States, and their coastal political
20 subdivisions, for the duration of the restriction. The Sec-
21 retary shall make the determination of the existence of
22 such restricting effects within 30 days of a petition by any
23 outer Continental Shelf lessee or producing State.

24 “(i) DEFINITIONS.—In this section:

1 “(1) COASTAL COUNTY-EQUIVALENT POLITICAL
2 SUBDIVISION.—The term ‘coastal county-equivalent
3 political subdivision’ means a political jurisdiction
4 immediately below the level of State government, in-
5 cluding a county, parish, borough in Alaska, inde-
6 pendent municipality not part of a county, parish, or
7 borough in Alaska, or other equivalent subdivision of
8 a coastal State, that lies within the coastal zone.

9 “(2) COASTAL MUNICIPAL POLITICAL SUBDIVI-
10 SION.—The term ‘coastal municipal political subdivi-
11 sion’ means a municipality located within and part
12 of a county, parish, borough in Alaska, or other
13 equivalent subdivision of a State, all or part of which
14 coastal municipal political subdivision lies within the
15 coastal zone.

16 “(3) COASTAL POPULATION.—The term ‘coastal
17 population’ means the population of all coastal coun-
18 ty-equivalent political subdivisions, as determined by
19 the most recent official data of the Census Bureau.

20 “(4) COASTAL ZONE.—The term ‘coastal zone’
21 means that portion of a coastal State, including the
22 entire territory of any coastal county-equivalent po-
23 litical subdivision at least a part of which lies, within
24 75 miles landward from the coastline, or a greater

1 distance as determined by State law enacted to im-
2 plement this section.

3 “(5) BONUS BIDS.—The term ‘bonus bids’
4 means all funds received by the Secretary to issue
5 an outer Continental Shelf minerals lease.

6 “(6) ROYALTIES.—The term ‘royalties’ means
7 all funds received by the Secretary from production
8 of oil or natural gas, or the sale of production taken
9 in-kind, from an outer Continental Shelf minerals
10 lease.

11 “(7) PRODUCING STATE.—The term ‘producing
12 State’ means an Adjacent State having an Adjacent
13 Zone containing leased tracts from which OCS Re-
14 ceipts were derived.

15 “(8) OCS RECEIPTS.—The term ‘OCS Receipts’
16 means bonus bids, royalties, and conservation of re-
17 sources fees.”.

18 **SEC. 8. RESERVATION OF LANDS AND RIGHTS.**

19 Section 12 of the Outer Continental Shelf Lands Act
20 (43 U.S.C. 1341) is amended—

21 (1) in subsection (a) by adding at the end the
22 following: “The President may partially or com-
23 pletely revise or revoke any prior withdrawal made
24 by the President under the authority of this section.

25 The President may not revise or revoke a withdrawal

1 that is extended by a State under subsection (h), nor
2 may the President withdraw from leasing any area
3 for which a State failed to prohibit, or petition to
4 prohibit, leasing under subsection (g). Further, in
5 the area of the outer Continental Shelf more than
6 100 miles from any coastline, not more than 25 per-
7 cent of the acreage of any OCS Planning Area may
8 be withdrawn from leasing under this section at any
9 point in time. A withdrawal by the President may be
10 for a term not to exceed 10 years. When considering
11 potential uses of the outer Continental Shelf, to the
12 maximum extent possible, the President shall accom-
13 modate competing interests and potential uses.”;

14 (2) by adding at the end the following:

15 “(g) AVAILABILITY FOR LEASING WITHIN CERTAIN
16 AREAS OF THE OUTER CONTINENTAL SHELF.—

17 “(1) PROHIBITION AGAINST LEASING.—

18 “(A) UNAVAILABLE FOR LEASING WITH-
19 OUT STATE REQUEST.—Except as otherwise
20 provided in this subsection, from and after en-
21 actment of the Deep Ocean Energy Resources
22 Act of 2006, the Secretary shall not offer for
23 leasing for oil and gas, or natural gas, any area
24 within 50 miles of the coastline that was with-
25 drawn from disposition by leasing in the Atlan-

1 tic OCS Region or the Pacific OCS Region, or
2 the Gulf of Mexico OCS Region Eastern Plan-
3 ning Area, as depicted on the maps referred to
4 in this subparagraph, under the ‘Memorandum
5 on Withdrawal of Certain Areas of the United
6 States Outer Continental Shelf from Leasing
7 Disposition’, 34 Weekly Comp. Pres. Doc.
8 1111, dated June 12, 1998, or any area within
9 50 miles of the coastline not withdrawn under
10 that Memorandum that is included within the
11 Gulf of Mexico OCS Region Eastern Planning
12 Area as indicated on the map entitled ‘Gulf of
13 Mexico OCS Region State Adjacent Zones and
14 OCS Planning Areas’ or the Florida Straits
15 Planning Area as indicated on the map entitled
16 ‘Atlantic OCS Region State Adjacent Zones and
17 OCS Planning Areas’, both of which are dated
18 September 2005 and on file in the Office of the
19 Director, Minerals Management Service.

20 “(B) AREAS BETWEEN 50 AND 100 MILES
21 FROM THE COASTLINE.—Unless an Adjacent
22 State petitions under subsection (h) within one
23 year after the date of the enactment of the
24 Deep Ocean Energy Resources Act of 2006 for
25 natural gas leasing or by June 30, 2009, for oil

1 and gas leasing, the Secretary shall offer for
2 leasing any area more than 50 miles but less
3 than 100 miles from the coastline that was
4 withdrawn from disposition by leasing in the
5 Atlantic OCS Region, the Pacific OCS Region,
6 or the Gulf of Mexico OCS Region Eastern
7 Planning Area, as depicted on the maps re-
8 ferred to in this subparagraph, under the
9 ‘Memorandum on Withdrawal of Certain Areas
10 of the United States Outer Continental Shelf
11 from Leasing Disposition’, 34 Weekly Comp.
12 Pres. Doc. 1111, dated June 12, 1998, or any
13 area more than 50 miles but less than 100
14 miles of the coastline not withdrawn under that
15 Memorandum that is included within the Gulf
16 of Mexico OCS Region Eastern Planning Area
17 as indicated on the map entitled ‘Gulf of Mexico
18 OCS Region State Adjacent Zones and OCS
19 Planning Areas’ or within the Florida Straits
20 Planning Area as indicated on the map entitled
21 ‘Atlantic OCS Region State Adjacent Zones and
22 OCS Planning Areas’, both of which are dated
23 September 2005 and on file in the Office of the
24 Director, Minerals Management Service.

1 “(2) REVOCATION OF WITHDRAWAL.—The pro-
2 visions of the ‘Memorandum on Withdrawal of Cer-
3 tain Areas of the United States Outer Continental
4 Shelf from Leasing Disposition’, 34 Weekly Comp.
5 Pres. Doc. 1111, dated June 12, 1998, are hereby
6 revoked and are no longer in effect. The 2002–2007
7 5-Year Outer Continental Shelf Oil and Gas Leasing
8 Program is hereby amended to include the areas
9 added to the Gulf of Mexico OCS Region Central
10 Planning Area by this Act to the extent that such
11 areas were included within the original boundaries of
12 proposed Lease Sale 181. The amendment to such
13 leasing program includes a sale in such additional
14 areas, which shall be held no later than April 30,
15 2007. The Final Environmental Impact Statement
16 prepared for this area for Lease Sale 181 shall be
17 deemed sufficient for all purposes for each lease sale
18 in which such area is offered for lease during the
19 2002–2007 5-Year Outer Continental Shelf Oil and
20 Gas Leasing Program without need for supplemen-
21 tation. Any tract only partially added to the Gulf of
22 Mexico OCS Region Central Planning Area by this
23 Act shall be eligible for leasing of the part of such
24 tract that is included within the Gulf of Mexico OCS
25 Region Central Planning Area, and the remainder of

1 such tract that lies outside of the Gulf of Mexico
2 OCS Region Central Planning Area may be devel-
3 oped and produced by the lessee of such partial tract
4 using extended reach or similar drilling from a loca-
5 tion on a leased area. Further, any area in the OCS
6 withdrawn from leasing may be leased, and there-
7 after developed and produced by the lessee using ex-
8 tended reach or similar drilling from a location on
9 a leased area located in an area available for leasing.

10 “(3) PETITION FOR LEASING.—

11 “(A) IN GENERAL.—The Governor of the
12 State, upon concurrence of its legislature, may
13 submit to the Secretary a petition requesting
14 that the Secretary make available any area that
15 is within the State’s Adjacent Zone, included
16 within the provisions of paragraph (1), and that
17 (i) is greater than 25 miles from any point on
18 the coastline of a Neighboring State for the
19 conduct of offshore leasing, pre-leasing, and re-
20 lated activities with respect to natural gas leas-
21 ing; or (ii) is greater than 50 miles from any
22 point on the coastline of a Neighboring State
23 for the conduct of offshore leasing, pre-leasing,
24 and related activities with respect to oil and gas
25 leasing. The Adjacent State may also petition

1 for leasing any other area within its Adjacent
2 Zone if leasing is allowed in the similar area of
3 the Adjacent Zone of the applicable Neigh-
4 boring State, or if not allowed, if the Neigh-
5 boring State, acting through its Governor, ex-
6 presses its concurrence with the petition. The
7 Secretary shall only consider such a petition
8 upon making a finding that leasing is allowed
9 in the similar area of the Adjacent Zone of the
10 applicable Neighboring State or upon receipt of
11 the concurrence of the Neighboring State. The
12 date of receipt by the Secretary of such concur-
13 rence by the Neighboring State shall constitute
14 the date of receipt of the petition for that area
15 for which the concurrence applies. Except for
16 any area described in the last sentence of para-
17 graph (2), a petition for leasing any part of the
18 Alabama Adjacent Zone that is a part of the
19 Gulf of Mexico Eastern Planning Area, as indi-
20 cated on the map entitled 'Gulf of Mexico OCS
21 Region State Adjacent Zones and OCS Plan-
22 ning Areas' which is dated September 2005 and
23 on file in the Office of the Director, Minerals
24 Management Service, shall require the concur-
25 rence of both Alabama and Florida.

1 “(B) LIMITATIONS ON LEASING.—In its
2 petition, a State with an Adjacent Zone that
3 contains leased tracts may condition new leas-
4 ing for oil and gas, or natural gas for tracts
5 within 25 miles of the coastline by—

6 “(i) requiring a net reduction in the
7 number of production platforms;

8 “(ii) requiring a net increase in the
9 average distance of production platforms
10 from the coastline;

11 “(iii) limiting permanent surface occu-
12 pancy on new leases to areas that are more
13 than 10 miles from the coastline;

14 “(iv) limiting some tracts to being
15 produced from shore or from platforms lo-
16 cated on other tracts; or

17 “(v) other conditions that the Adja-
18 cent State may deem appropriate as long
19 as the Secretary does not determine that
20 production is made economically or tech-
21 nically impracticable or otherwise impos-
22 sible.

23 “(C) ACTION BY SECRETARY.—Not later
24 than 90 days after receipt of a petition under
25 subparagraph (A), the Secretary shall approve

1 the petition, unless the Secretary determines
2 that leasing the area would probably cause seri-
3 ous harm or damage to the marine resources of
4 the State's Adjacent Zone. Prior to approving
5 the petition, the Secretary shall complete an en-
6 vironmental assessment that documents the an-
7 ticipated environmental effects of leasing in the
8 area included within the scope of the petition.

9 “(D) FAILURE TO ACT.—If the Secretary
10 fails to approve or deny a petition in accordance
11 with subparagraph (C) the petition shall be con-
12 sidered to be approved 90 days after receipt of
13 the petition.

14 “(E) AMENDMENT OF THE 5-YEAR LEAS-
15 ING PROGRAM.—Notwithstanding section 18,
16 within 180 days of the approval of a petition
17 under subparagraph (C) or (D), after the expi-
18 ration of the time limits in paragraph (1)(B),
19 and within 180 days after the enactment of the
20 Deep Ocean Energy Resources Act of 2006 for
21 the areas made available for leasing under
22 paragraph (2), the Secretary shall amend the
23 current 5-Year Outer Continental Shelf Oil and
24 Gas Leasing Program to include a lease sale or
25 sales for at least 75 percent of the associated

1 areas, unless there are, from the date of ap-
2 proval, expiration of such time limits, or enact-
3 ment, as applicable, fewer than 12 months re-
4 maining in the current 5-Year Leasing Program
5 in which case the Secretary shall include the as-
6 sociated areas within lease sales under the next
7 5-Year Leasing Program. For purposes of
8 amending the 5-Year Program in accordance
9 with this section, further consultations with
10 States shall not be required. For purposes of
11 this section, an environmental assessment per-
12 formed under the provisions of the National
13 Environmental Policy Act of 1969 to assess the
14 effects of approving the petition shall be suffi-
15 cient to amend the 5-Year Leasing Program.

16 “(h) OPTION TO EXTEND WITHDRAWAL FROM LEAS-
17 ING WITHIN CERTAIN AREAS OF THE OUTER CONTI-
18 NENTAL SHELF.—A State, through its Governor and upon
19 the concurrence of its legislature, may extend for a period
20 of time of up to 5 years for each extension the withdrawal
21 from leasing for all or part of any area within the State’s
22 Adjacent Zone located more than 50 miles, but less than
23 100 miles, from the coastline that is subject to subsection
24 (g)(1)(B). A State may extend multiple times for any par-
25 ticular area but not more than once per calendar year for

1 any particular area. A State must prepare separate exten-
2 sions, with separate votes by its legislature, for oil and
3 gas leasing and for natural gas leasing. An extension by
4 a State may affect some areas to be withdrawn from all
5 leasing and some areas to be withdrawn only from one
6 type of leasing. Extensions of the withdrawal from leasing
7 of any part of the Alabama Adjacent Zone that is more
8 than 50 miles, but less than 100 miles, from the coastline
9 that is a part of the Gulf of Mexico OCS Region Eastern
10 Planning Area, as indicated on the map entitled ‘Gulf of
11 Mexico OCS Region State Adjacent Zones and OCS Plan-
12 ning Areas’ which is dated September 2005 and on file
13 in the Office of the Director, Minerals Management Serv-
14 ice, may be made by either Alabama or Florida.

15 “(i) EFFECT OF OTHER LAWS.—Adoption by any
16 Adjacent State of any constitutional provision, or enact-
17 ment of any State statute, that has the effect, as deter-
18 mined by the Secretary, of restricting either the Governor
19 or the Legislature, or both, from exercising full discretion
20 related to subsection (g) or (h), or both, shall automati-
21 cally (1) prohibit any sharing of OCS Receipts under this
22 Act with the Adjacent State, and its coastal political sub-
23 divisions, and (2) prohibit the Adjacent State from exer-
24 cising any authority under subsection (h), for the duration
25 of the restriction. The Secretary shall make the determina-

1 tion of the existence of such restricting constitutional pro-
2 vision or State statute within 30 days of a petition by any
3 outer Continental Shelf lessee or coastal State.

4 “(j) PROHIBITION ON LEASING EAST OF THE MILI-
5 TARY MISSION LINE.—

6 “(1) Notwithstanding any other provision of
7 law, from and after the enactment of the Deep
8 Ocean Energy Resources Act of 2006, no area of the
9 outer Continental Shelf located in the Gulf of Mexico
10 east of the military mission line may be offered for
11 leasing for oil and gas or natural gas.

12 “(2) In this subsection, the term ‘military mis-
13 sion line’ means a line located at 86 degrees,
14 41minutes West Longitude, and extending south
15 from the coast of Florida to the outer boundary of
16 United States territorial waters in the Gulf of Mex-
17 ico.”.

18 **SEC. 9. OUTER CONTINENTAL SHELF LEASING PROGRAM.**

19 Section 18 of the Outer Continental Shelf Lands Act
20 (43 U.S.C. 1344) is amended—

21 (1) in subsection (a), by adding at the end of
22 paragraph (3) the following: “The Secretary shall, in
23 each 5-year program, include lease sales that when
24 viewed as a whole propose to offer for oil and gas
25 or natural gas leasing at least 75 percent of the

1 available unleased acreage within each OCS Plan-
2 ning Area. Available unleased acreage is that portion
3 of the outer Continental Shelf that is not under
4 lease at the time of the proposed lease sale, and has
5 not otherwise been made unavailable for leasing by
6 law.”;

7 (2) in subsection (c), by striking so much as
8 precedes paragraph (3) and inserting the following:

9 “(c)(1) During the preparation of any proposed leas-
10 ing program under this section, the Secretary shall con-
11 sider and analyze leasing throughout the entire Outer
12 Continental Shelf without regard to any other law affect-
13 ing such leasing. During this preparation the Secretary
14 shall invite and consider suggestions from any interested
15 Federal agency, including the Attorney General, in con-
16 sultation with the Federal Trade Commission, and from
17 the Governor of any coastal State. The Secretary may also
18 invite or consider any suggestions from the executive of
19 any local government in a coastal State that have been
20 previously submitted to the Governor of such State, and
21 from any other person. Further, the Secretary shall con-
22 sult with the Secretary of Defense regarding military oper-
23 ational needs in the outer Continental Shelf. The Sec-
24 retary shall work with the Secretary of Defense to resolve
25 any conflicts that might arise regarding offering any area

1 of the outer Continental Shelf for oil and gas or natural
2 gas leasing. If the Secretaries are not able to resolve all
3 such conflicts, any unresolved issues shall be elevated to
4 the President for resolution.

5 “(2) After the consideration and analysis required by
6 paragraph (1), including the consideration of the sugges-
7 tions received from any interested Federal agency, the
8 Federal Trade Commission, the Governor of any coastal
9 State, any local government of a coastal State, and any
10 other person, the Secretary shall publish in the Federal
11 Register a proposed leasing program accompanied by a
12 draft environmental impact statement prepared pursuant
13 to the National Environmental Policy Act of 1969. After
14 the publishing of the proposed leasing program and during
15 the comment period provided for on the draft environ-
16 mental impact statement, the Secretary shall submit a
17 copy of the proposed program to the Governor of each af-
18 fected State for review and comment. The Governor may
19 solicit comments from those executives of local govern-
20 ments in the Governor’s State that the Governor, in the
21 discretion of the Governor, determines will be affected by
22 the proposed program. If any comment by such Governor
23 is received by the Secretary at least 15 days prior to sub-
24 mission to the Congress pursuant to paragraph (3) and
25 includes a request for any modification of such proposed

1 program, the Secretary shall reply in writing, granting or
2 denying such request in whole or in part, or granting such
3 request in such modified form as the Secretary considers
4 appropriate, and stating the Secretary's reasons therefor.
5 All such correspondence between the Secretary and the
6 Governor of any affected State, together with any addi-
7 tional information and data relating thereto, shall accom-
8 pany such proposed program when it is submitted to the
9 Congress.”; and

10 (3) by adding at the end the following:

11 “(i) PROJECTION OF STATE ADJACENT ZONE RE-
12 SOURCES AND STATE AND LOCAL GOVERNMENT SHARES
13 OF OCS RECEIPTS.—Concurrent with the publication of
14 the scoping notice at the beginning of the development of
15 each 5-year outer Continental Shelf oil and gas leasing
16 program, or as soon thereafter as possible, the Secretary
17 shall—

18 “(1) provide to each Adjacent State a current
19 estimate of proven and potential oil and gas re-
20 sources located within the State's Adjacent Zone;
21 and

22 “(2) provide to each Adjacent State, and coast-
23 al political subdivisions thereof, a best-efforts projec-
24 tion of the OCS Receipts that the Secretary expects
25 will be shared with each Adjacent State, and its

1 coastal political subdivisions, using the assumption
2 that the unleased tracts within the State’s Adjacent
3 Zone are fully made available for leasing, including
4 long-term projected OCS Receipts. In addition, the
5 Secretary shall include a macroeconomic estimate of
6 the impact of such leasing on the national economy
7 and each State’s economy, including investment,
8 jobs, revenues, personal income, and other cat-
9 egories.”.

10 **SEC. 10. COORDINATION WITH ADJACENT STATES.**

11 Section 19 of the Outer Continental Shelf Lands Act
12 (43 U.S.C. 1345) is amended—

13 (1) in subsection (a) in the first sentence by in-
14 serting “, for any tract located within the Adjacent
15 State’s Adjacent Zone,” after “government”; and

16 (2) by adding the following:

17 “(f)(1) No Federal agency may permit or otherwise
18 approve, without the concurrence of the Adjacent State,
19 the construction of a crude oil or petroleum products (or
20 both) pipeline within the part of the Adjacent State’s Ad-
21 jacent Zone that is withdrawn from oil and gas or natural
22 gas leasing, except that such a pipeline may be approved,
23 without such Adjacent State’s concurrence, to pass
24 through such Adjacent Zone if at least 50 percent of the
25 production projected to be carried by the pipeline within

1 its first 10 years of operation is from areas of the Adja-
2 cent State’s Adjacent Zone.

3 “(2) No State may prohibit the construction within
4 its Adjacent Zone or its State waters of a natural gas pipe-
5 line that will transport natural gas produced from the
6 outer Continental Shelf. However, an Adjacent State may
7 prevent a proposed natural gas pipeline landing location
8 if it proposes two alternate landing locations in the Adja-
9 cent State, acceptable to the Adjacent State, located with-
10 in 50 miles on either side of the proposed landing loca-
11 tion.”.

12 **SEC. 11. ENVIRONMENTAL STUDIES.**

13 Section 20(d) of the Outer Continental Shelf Lands
14 Act (43 U.S.C. 1346) is amended—

15 (1) by inserting “(1)” after “(d)”; and

16 (2) by adding at the end the following:

17 “(2) For all programs, lease sales, leases, and actions
18 under this Act, the following shall apply regarding the ap-
19 plication of the National Environmental Policy Act of
20 1969:

21 “(A) Granting or directing lease suspensions
22 and the conduct of all preliminary activities on outer
23 Continental Shelf tracts, including seismic activities,
24 are categorically excluded from the need to prepare
25 either an environmental assessment or an environ-

1 mental impact statement, and the Secretary shall
2 not be required to analyze whether any exceptions to
3 a categorical exclusion apply for activities conducted
4 under the authority of this Act.

5 “(B) The environmental impact statement de-
6 veloped in support of each 5-year oil and gas leasing
7 program provides the environmental analysis for all
8 lease sales to be conducted under the program and
9 such sales shall not be subject to further environ-
10 mental analysis.

11 “(C) Exploration plans shall not be subject to
12 any requirement to prepare an environmental impact
13 statement, and the Secretary may find that explo-
14 ration plans are eligible for categorical exclusion due
15 to the impacts already being considered within an
16 environmental impact statement or due to mitigation
17 measures included within the plan.

18 “(D) Within each OCS Planning Area, after the
19 preparation of the first development and production
20 plan environmental impact statement for a leased
21 tract within the Area, future development and pro-
22 duction plans for leased tracts within the Area shall
23 only require the preparation of an environmental as-
24 sessment unless the most recent development and
25 production plan environmental impact statement

1 within the Area was finalized more than 10 years
2 prior to the date of the approval of the plan, in
3 which case an environmental impact statement shall
4 be required.”.

5 **SEC. 13. FEDERAL ENERGY NATURAL RESOURCES EN-**
6 **HANCEMENT ACT OF 2006.**

7 (a) FINDINGS.—The Congress finds the following:

8 (1) Energy and minerals exploration, develop-
9 ment, and production on Federal onshore and off-
10 shore lands, including bio-based fuel, natural gas,
11 minerals, oil, geothermal, and power from wind,
12 waves, currents, and thermal energy, involves signifi-
13 cant outlays of funds by Federal and State wildlife,
14 fish, and natural resource management agencies for
15 environmental studies, planning, development, moni-
16 toring, and management of wildlife, fish, air, water,
17 and other natural resources.

18 (2) State wildlife, fish, and natural resource
19 management agencies are funded primarily through
20 permit and license fees paid to the States by the
21 general public to hunt and fish, and through Federal
22 excise taxes on equipment used for these activities.

23 (3) Funds generated from consumptive and rec-
24 reational uses of wildlife, fish, and other natural re-
25 sources currently are inadequate to address the nat-

1 ural resources related to energy and minerals devel-
2 opment on Federal onshore and offshore lands.

3 (4) Funds available to Federal agencies respon-
4 sible for managing Federal onshore and offshore
5 lands and Federal-trust wildlife and fish species and
6 their habitats are inadequate to address the natural
7 resources related to energy and minerals develop-
8 ment on Federal onshore and offshore lands.

9 (5) Receipts derived from sales, bonus bids, and
10 royalties under the mineral leasing laws of the
11 United States are paid to the Treasury through the
12 Minerals Management Service of the Department of
13 the Interior.

14 (6) None of the receipts derived from sales,
15 bonus bids, and royalties under the minerals leasing
16 laws of the United States are paid to the Federal or
17 State agencies to examine, monitor, and manage
18 wildlife, fish, air, water, and other natural resources
19 related to natural gas, oil, and mineral exploration
20 and development.

21 (b) PURPOSES.—It is the purpose of this section to—

22 (1) authorize expenditures for the monitoring
23 and management of wildlife and fish, and their habi-
24 tats, and air, water, and other natural resources re-

1 lated to energy and minerals development on Fed-
2 eral onshore and offshore lands;

3 (2) authorize expenditures for each fiscal year
4 to the Secretary of the Interior and the States; and

5 (3) use the appropriated funds to secure the
6 necessary trained workforce or contractual services
7 to conduct environmental studies, planning, develop-
8 ment, monitoring, and post-development manage-
9 ment of wildlife and fish and their habitats and air,
10 water, and other natural resources that may be re-
11 lated to bio-based fuel, gas, mineral, oil, wind, or
12 other energy exploration, development, transpor-
13 tation, transmission, and associated activities on
14 Federal onshore and offshore lands, including, but
15 not limited to—

16 (A) pertinent research, surveys, and envi-
17 ronmental analyses conducted to identify any
18 impacts on wildlife, fish, air, water, and other
19 natural resources from energy and mineral ex-
20 ploration, development, production, and trans-
21 portation or transmission;

22 (B) projects to maintain, improve, or en-
23 hance wildlife and fish populations and their
24 habitats or air, water, or other natural re-

1 sources, including activities under the Endan-
2 gered Species Act of 1973;

3 (C) research, surveys, environmental anal-
4 yses, and projects that assist in managing, in-
5 cluding mitigating either onsite or offsite, or
6 both, the impacts of energy and mineral activi-
7 ties on wildlife, fish, air, water, and other nat-
8 ural resources; and

9 (D) projects to teach young people to live
10 off the land.

11 (c) DEFINITIONS.—In this section:

12 (1) ENHANCEMENT PROGRAM.—The term “En-
13 hancement Program” means the Federal Energy
14 Natural Resources Enhancement Program estab-
15 lished by this section.

16 (2) STATE.—The term “State” means the Gov-
17 ernor of the State.

18 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
19 authorized to be appropriated to carry out the Enhance-
20 ment Program \$150,000,000 for each of fiscal years 2007
21 through 2017.

22 (e) ESTABLISHMENT OF FEDERAL ENERGY NAT-
23 URAL RESOURCES ENHANCEMENT PROGRAM.—

1 (1) IN GENERAL.—There is established the
2 Federal Energy Natural Resources Enhancement
3 Program.

4 (2) PAYMENT TO SECRETARY OF THE INTE-
5 RIOR.—Beginning with fiscal year 2007, and in each
6 fiscal year thereafter, one-third of amounts appro-
7 priated for the Enhancement Program shall be avail-
8 able to the Secretary of the Interior for use for the
9 purposes described in subsection (b)(3).

10 (3) PAYMENT TO STATES.—

11 (A) IN GENERAL.—Beginning with fiscal
12 year 2007, and in each fiscal year thereafter,
13 two-thirds of amounts appropriated for the En-
14 hancement Program shall be available to the
15 States for use for the purposes described in
16 (b)(3).

17 (B) USE OF PAYMENTS BY STATE.—Each
18 State shall use the payments made under this
19 paragraph only for carrying out projects and
20 programs for the purposes described in (b)(3).

21 (C) ENCOURAGE USE OF PRIVATE FUNDS
22 BY STATE.—Each State shall use the payments
23 made under this paragraph to leverage private
24 funds for carrying out projects for the purposes
25 described in (b)(3).

1 (f) LIMITATION ON USE.—Amounts made available
2 under this section may not be used for the purchase of
3 any interest in land.

4 (g) REPORTS TO CONGRESS.—

5 (1) IN GENERAL.—Beginning in fiscal year
6 2008 and continuing for each fiscal year thereafter,
7 the Secretary of the Interior and each State receiv-
8 ing funds from the Enhancement Fund shall submit
9 a report to the Committee on Energy and Natural
10 Resources of the Senate and the Committee on Re-
11 sources of the House of Representatives.

12 (2) REQUIRED INFORMATION.—Reports sub-
13 mitted to the Congress by the Secretary of the Inte-
14 rior and States under this subsection shall include
15 the following information regarding expenditures
16 during the previous fiscal year:

17 (A) A summary of pertinent scientific re-
18 search and surveys conducted to identify im-
19 pacts on wildlife, fish, and other natural re-
20 sources from energy and mineral developments.

21 (B) A summary of projects planned and
22 completed to maintain, improve or enhance
23 wildlife and fish populations and their habitats
24 or other natural resources.

1 (C) A list of additional actions that assist,
2 or would assist, in managing, including miti-
3 gating either onsite or offsite, or both, the im-
4 pacts of energy and mineral development on
5 wildlife, fish, and other natural resources.

6 (D) A summary of private (non-Federal)
7 funds used to plan, conduct, and complete the
8 plans and programs identified in paragraphs
9 (2)(A) and (2)(B).

10 **SEC. 14. TERMINATION OF EFFECT OF LAWS PROHIBITING**
11 **THE SPENDING OF APPROPRIATED FUNDS**
12 **FOR CERTAIN PURPOSES.**

13 All provisions of existing Federal law prohibiting the
14 spending of appropriated funds to conduct oil and natural
15 gas leasing and preleasing activities, or to issue a lease
16 to any person, for any area of the outer Continental Shelf
17 shall have no force or effect.

18 **SEC. 15. OUTER CONTINENTAL SHELF INCOMPATIBLE USE.**

19 (a) IN GENERAL.—No Federal agency may permit
20 construction or operation (or both) of any facility, or des-
21 ignate or maintain a restricted transportation corridor or
22 operating area on the Federal outer Continental Shelf or
23 in State waters, that will be incompatible with, as deter-
24 mined by the Secretary of the Interior, oil and gas or nat-
25 ural gas leasing and substantially full exploration and pro-

1 duction of tracts that are geologically prospective for oil
2 or natural gas (or both).

3 (b) EXCEPTIONS.—Subsection (a) shall not apply to
4 any facility, transportation corridor, or operating area the
5 construction, operation, designation, or maintenance of
6 which is or will be—

7 (1) located in an area of the outer Continental
8 Shelf that is unavailable for oil and gas or natural
9 gas leasing by operation of law;

10 (2) used for a military readiness activity (as de-
11 fined in section 315(f) of Public Law 107–314; 16
12 U.S.C. 703 note); or

13 (3) required in the national interest, as deter-
14 mined by the President.

15 **SEC. 16. REPURCHASE OF CERTAIN LEASES.**

16 (a) AUTHORITY TO REPURCHASE AND CANCEL CER-
17 TAIN LEASES.—The Secretary of the Interior shall repur-
18 chase and cancel any Federal oil and gas, geothermal,
19 coal, oil shale, tar sands, or other mineral lease, whether
20 onshore or offshore, but not including any outer Conti-
21 nental Shelf oil and gas leases that are subject to litigation
22 in the Court of Federal Claims on January 1, 2006, if
23 the Secretary finds that such lease qualifies for repurchase
24 and cancellation under the regulations authorized by this
25 section.

1 (b) REGULATIONS.—Not later than 365 days after
2 the date of the enactment of this Act, the Secretary shall
3 publish a final regulation stating the conditions under
4 which a lease referred to in subsection (a) would qualify
5 for repurchase and cancellation, and the process to be fol-
6 lowed regarding repurchase and cancellation. Such regula-
7 tion shall include, but not be limited to, the following:

8 (1) The Secretary shall repurchase and cancel
9 a lease after written request by the lessee upon a
10 finding by the Secretary that—

11 (A) a request by the lessee for a required
12 permit or other approval complied with applica-
13 ble law, except the Coastal Zone Management
14 Act of 1972 (16 U.S.C. 1451 et seq.), and
15 terms of the lease and such permit or other ap-
16 proval was denied;

17 (B) a Federal agency failed to act on a re-
18 quest by the lessee for a required permit, other
19 approval, or administrative appeal within a reg-
20 ulatory or statutory time-frame associated with
21 the requested action, whether advisory or man-
22 datory, or if none, within 180 days; or

23 (C) a Federal agency attached a condition
24 of approval, without agreement by the lessee, to
25 a required permit or other approval if such con-

1 dition of approval was not mandated by Federal
2 statute or regulation in effect on the date of
3 lease issuance, or was not specifically allowed
4 under the terms of the lease.

5 (2) A lessee shall not be required to exhaust ad-
6 ministrative remedies regarding a permit request,
7 administrative appeal, or other required request for
8 approval for the purposes of this section.

9 (3) The Secretary shall make a final agency de-
10 cision on a request by a lessee under this section
11 within 180 days of request.

12 (4) Compensation to a lessee to repurchase and
13 cancel a lease under this section shall be the amount
14 that a lessee would receive in a restitution case for
15 a material breach of contract.

16 (5) Compensation shall be in the form of a
17 check or electronic transfer from the Department of
18 the Treasury from funds deposited into miscella-
19 neous receipts under the authority of the same Act
20 that authorized the issuance of the lease being re-
21 purchased.

22 (6) Failure of the Secretary to make a final
23 agency decision on a request by a lessee under this
24 section within 180 days of request shall result in a

1 10 percent increase in the compensation due to the
2 lessee if the lease is ultimately repurchased.

3 (c) NO PREJUDICE.—This section shall not be inter-
4 preted to prejudice any other rights that the lessee would
5 have in the absence of this section.

6 **SEC. 17. OFFSITE ENVIRONMENTAL MITIGATION.**

7 Notwithstanding any other provision of law, any per-
8 son conducting activities under the Mineral Leasing Act
9 (30 U.S.C. 181 et seq.), the Geothermal Steam Act (30
10 U.S.C. 1001 et seq.), the Mineral Leasing Act for Ac-
11 quired Lands (30 U.S.C. 351 et seq.), the Weeks Act (16
12 U.S.C. 552 et seq.), the General Mining Act of 1872 (30
13 U.S.C. 22 et seq.), the Materials Act of 1947 (30 U.S.C.
14 601 et seq.), or the Outer Continental Shelf Lands Act
15 (43 U.S.C. 1331 et seq.), may in satisfying any mitigation
16 requirements associated with such activities propose miti-
17 gation measures on a site away from the area impacted
18 and the Secretary of the Interior shall accept these pro-
19 posed measures if the Secretary finds that they generally
20 achieve the purposes for which mitigation measures apper-
21 tained.

22 **SEC. 18. MINERALS MANAGEMENT SERVICE.**

23 The bureau known as the “Minerals Management
24 Service” in the Department of the Interior shall be known
25 as the “National Ocean Resources and Royalty Service”.

1 **SEC. 19. AUTHORITY TO USE DECOMMISSIONED OFFSHORE**
2 **OIL AND GAS PLATFORMS AND OTHER FA-**
3 **CILITIES FOR ARTIFICIAL REEF, SCIENTIFIC**
4 **RESEARCH, OR OTHER USES.**

5 (a) SHORT TITLE.—This section may be cited as the
6 “Rigs to Reefs Act of 2006”.

7 (b) IN GENERAL.—The Outer Continental Shelf
8 Lands Act (43 U.S.C. 1301 et seq.) is amended by insert-
9 ing after section 9 the following:

10 **“SEC. 10. USE OF DECOMMISSIONED OFFSHORE OIL AND**
11 **GAS PLATFORMS AND OTHER FACILITIES**
12 **FOR ARTIFICIAL REEF, SCIENTIFIC RE-**
13 **SEARCH, OR OTHER USES.**

14 “(a) IN GENERAL.—The Secretary shall issue regula-
15 tions under which the Secretary may authorize use of an
16 offshore oil and gas platform or other facility that is de-
17 commissioned from service for oil and gas purposes for
18 an artificial reef, scientific research, or any other use au-
19 thorized under section 8(p) or any other applicable Fed-
20 eral law.

21 “(b) TRANSFER REQUIREMENTS.—The Secretary
22 shall not allow the transfer of a decommissioned offshore
23 oil and gas platform or other facility to another person
24 unless the Secretary is satisfied that the transferee is suf-
25 ficiently bonded, endowed, or otherwise financially able to
26 fulfill its obligations, including but not limited to—

1 “(1) ongoing maintenance of the platform or
2 other facility;

3 “(2) any liability obligations that might arise;

4 “(3) removal of the platform or other facility if
5 determined necessary by the Secretary; and

6 “(4) any other requirements and obligations
7 that the Secretary may deem appropriate by regula-
8 tion.

9 “(c) PLUGGING AND ABANDONMENT.—The Sec-
10 retary shall ensure that plugging and abandonment of
11 wells is accomplished at an appropriate time.

12 “(d) POTENTIAL TO PETITION TO OPT-OUT OF REG-
13 ULATIONS.—An Adjacent State acting through a resolu-
14 tion of its legislature, with concurrence of its Governor,
15 may preliminarily petition to opt-out of the application of
16 regulations promulgated under this section to platforms
17 and other facilities located in the area of its Adjacent Zone
18 within 12 miles of the coastline. Upon receipt of the pre-
19 liminary petition, the Secretary shall complete an environ-
20 mental assessment that documents the anticipated envi-
21 ronmental effects of approving the petition. The Secretary
22 shall provide the environmental assessment to the State,
23 which then has the choice of no action or confirming its
24 petition by further action of its legislature, with the con-
25 currence of its Governor. The Secretary is authorized to

1 except such area from the application of such regulations,
2 and shall approve any confirmed petition.

3 “(e) LIMITATION ON LIABILITY.—A person that had
4 used an offshore oil and gas platform or other facility for
5 oil and gas purposes and that no longer has any ownership
6 or control of the platform or other facility shall not be
7 liable under Federal law for any costs or damages arising
8 from such platform or other facility after the date the plat-
9 form or other facility is used for any purpose under sub-
10 section (a), unless such costs or damages arise from—

11 “(1) use of the platform or other facility by the
12 person for development or production of oil or gas;
13 or

14 “(2) another act or omission of the person.

15 “(f) OTHER LEASING AND USE NOT AFFECTED.—
16 This section, and the use of any offshore oil and gas plat-
17 form or other facility for any purpose under subsection
18 (a), shall not affect—

19 “(1) the authority of the Secretary to lease any
20 area under this Act; or

21 “(2) any activity otherwise authorized under
22 this Act.”.

23 (c) DEADLINE FOR REGULATIONS.—The Secretary of
24 the Interior shall issue regulations under subsection (b)

1 by not later than 180 days after the date of the enactment
2 of this Act.

3 (d) **STUDY AND REPORT ON EFFECTS OF REMOVAL**
4 **OF PLATFORMS.**—Not later than one year after the date
5 of enactment of this Act, the Secretary of the Interior,
6 in consultation with other Federal agencies as the Sec-
7 retary deems advisable, shall study and report to the Con-
8 gress regarding how the removal of offshore oil and gas
9 platforms and other facilities from the outer Continental
10 Shelf would affect existing fish stocks and coral popu-
11 lations.

12 **SEC. 20. REPEAL OF REQUIREMENT TO CONDUCT COM-**
13 **PREHENSIVE INVENTORY OF OCS OIL AND**
14 **NATURAL GAS RESOURCES.**

15 The Energy Policy Act of 2005 (Public Law 109–
16 58) is amended—

17 (1) by repealing section 357 (119 Stat. 720; 42
18 U.S.C. 15912); and

19 (2) in the table of contents in section 1(b), by
20 striking the item relating to such section 357.

21 **SEC. 21. MINING AND PETROLEUM SCHOOLS.**

22 (a) **MAINTENANCE AND RESTORATION OF EXISTING**
23 **AND HISTORIC PETROLEUM AND MINING ENGINEERING**
24 **PROGRAMS.**—Public Law 98–409 (30 U.S.C. 1221 et
25 seq.) is amended to read as follows:

1 **“SECTION 1. SHORT TITLE.**

2 “This Act may be cited as the ‘Energy and Mineral
3 Schools Reinvestment Act’.

4 **“SEC. 2. POLICY.**

5 “It is the policy of the United States to maintain the
6 human capital needed to preserve and foster the economic,
7 energy, and mineral resources security of the United
8 States. The petroleum and mining engineering programs
9 and the applied geology and geophysics programs at State
10 chartered schools, universities, and institutions that
11 produce human capital are national assets and should be
12 assisted with Federal funds to ensure their continued
13 health and existence.

14 **“SEC. 3. MAINTAINING AND RESTORING HISTORIC AND EX-**
15 **ISTING PETROLEUM AND MINING ENGINEER-**
16 **ING EDUCATION PROGRAMS.**

17 “(a) The Secretary of the Interior (in this Act re-
18 ferred to as the ‘Secretary’) shall provide funds to historic
19 and existing State-chartered recognized petroleum or min-
20 ing schools to assist such schools, universities, and institu-
21 tions in maintaining programs in petroleum, mining, and
22 mineral engineering education and research. All funds
23 shall be directed only to these programs and shall be sub-
24 ject to the conditions of this section. Such funds shall not
25 be less than 25 percent of the annual outlay of funds au-

1 thORIZED by section 23(d) of the Deep Ocean Energy Re-
2 sources Act of 2006.

3 “(b) In this Act the term ‘historic and existing State-
4 chartered recognized petroleum or mining school’ means
5 a school, university, or educational institution with the
6 presence of an engineering program meeting the specific
7 program criteria, established by the member societies of
8 ABET, Inc., for petroleum, mining, or mineral engineer-
9 ing and that is accredited on the date of enactment of
10 the Deep Ocean Energy Resources Act of 2006 by ABET,
11 Inc.

12 “(c) It shall be the duty of each school, university,
13 or institution receiving funds under this section to provide
14 for and enhance the training of undergraduate and grad-
15 uate petroleum, mining, and mineral engineers through re-
16 search, investigations, demonstrations, and experiments.
17 All such work shall be carried out in a manner that will
18 enhance undergraduate education.

19 “(d) Each school, university, or institution receiving
20 funds under this Act shall maintain the program for which
21 the funds are provided for 10 years after the date of the
22 first receipt of such funds and take steps described in its
23 application for funding to increase the number of under-
24 graduate students enrolled in and completing the pro-

1 grams of study in petroleum, mining, and mineral engi-
2 neering.

3 “(e) The research, investigation, demonstration, ex-
4 periment, and training authorized by this section may in-
5 clude development and production of conventional and
6 non-conventional fuel resources, the production of metallic
7 and non-metallic mineral resources including industrial
8 mineral resources, and the production of stone, sand, and
9 gravel. In all cases the work carried out with funds made
10 available under this Act shall include a significant oppor-
11 tunity for participation by undergraduate students.

12 “(f) Research funded by this Act related to energy
13 and mineral resource development and production may in-
14 clude—

15 “(1) studies of petroleum, mining, and mineral
16 extraction and immediately related beneficiation
17 technology;

18 “(2) mineral economics, reclamation technology,
19 and practices for active operations;

20 “(3) the development of re-mining systems and
21 technologies to facilitate reclamation that fosters the
22 ultimate recovery of resources at abandoned petro-
23 leum, mining, and aggregate production sites; and

1 “(4) research on ways to extract petroleum and
2 mineral resources that reduce the environmental im-
3 pact of those activities.

4 “(g) Grants for basic science and engineering studies
5 and research shall not require additional participation by
6 funding partners. Grants for studies to demonstrate the
7 proof of concept for science and engineering or the dem-
8 onstration of feasibility and implementation shall include
9 participation by industry and may include funding from
10 other Federal agencies.

11 “(h)(1) No funds made available under this section
12 shall be applied to the acquisition by purchase or lease
13 of any land or interests therein, or the rental, purchase,
14 construction, preservation, or repair of any building.

15 “(2) Funding made available under this section may
16 be used with the express approval of the Secretary for pro-
17 posals that will provide for maintaining or upgrading of
18 existing laboratories and laboratory equipment. Funding
19 for such maintenance shall not be used for university over-
20 head expenses.

21 “(3) Funding made available under this Act may be
22 used for maintaining and upgrading mines and oil and gas
23 drilling rigs owned by a school, university, or institution
24 described in this section that are used for undergraduate
25 and graduate training and worker safety training. All re-

1 quests for funding such mines and oil and gas drilling rigs
2 must demonstrate that they have been owned by the
3 school, university, or institution for 5 years prior to the
4 date of enactment of the Deep Ocean Energy Resources
5 Act of 2006 and have been actively used for instructional
6 or training purposes during that time.

7 “(4) Any funding made available under this section
8 for research, investigation, demonstration, experiment, or
9 training shall not be used for university overhead charges
10 in excess of 10 percent of the amount authorized by the
11 Secretary.

12 **“SEC. 4. FORMER AND NEW PETROLEUM AND MINING ENGI-**
13 **NEERING PROGRAMS.**

14 “(a) A school, university, or educational institution
15 that formerly met the requirements of section 3(b) imme-
16 diately before the date of the enactment of the Deep Ocean
17 Energy Resources Act of 2006, or that seeks to establish
18 a new program described in section 3(b), shall be eligible
19 for funding under this Act only if it—

20 “(1) establishes a petroleum, mining, or mineral
21 engineering program that meets the specific program
22 criteria and is accredited as such by ABET, Inc.,
23 with particular consideration awarded to establishing
24 programs and minority serving institutions;

1 “(2) agrees to the conditions of subsections (c)
2 through (h) of section 3 and the Secretary deter-
3 mines that the program will strengthen and increase
4 the number of nationally available, well-qualified fac-
5 ulty members in petroleum, mining, and mineral en-
6 gineering; and

7 “(3) agrees to maintain the accredited program
8 for 10 years after the date of the first receipt of
9 funds under this Act.

10 “(b) The Secretary shall seek the advice of the Com-
11 mittee established pursuant to section 11 in determining
12 the criteria used to carry out this section.

13 **“SEC. 5. FUNDING OF CONSORTIA OF HISTORIC AND EXIST-**
14 **ING SCHOOLS.**

15 “Where appropriate, the Secretary may make funds
16 available to consortia of schools, universities, or institu-
17 tions described in sections 3, 4, and 6, including those con-
18 sortia that include schools, universities, or institutions
19 that are ineligible for funds under this Act if those schools,
20 universities, or institutions, respectively, have skills, pro-
21 grams, or facilities specifically identified as needed by the
22 consortia to meet the necessary expenses for purposes of—

23 “(1) specific energy and mineral research
24 projects of broad application that could not other-
25 wise be undertaken, including the expenses of plan-

1 ning and coordinating regional petroleum, geo-
2 thermal, mining, and mineral engineering or
3 beneficiation projects by two or more schools; and

4 “(2) research into any aspects of petroleum,
5 geothermal, mining, or mineral engineering or
6 beneficiation problems, including but not limited to
7 exploration, that are related to the mission of the
8 Department of the Interior.

9 **“SEC. 6. SUPPORT FOR SCHOOLS WITH ENERGY AND MIN-**
10 **ERAL RESOURCE PROGRAMS IN PETROLEUM**
11 **AND MINERAL EXPLORATION GEOLOGY, PE-**
12 **TROLEUM GEOPHYSICS, OR MINING GEO-**
13 **PHYSICS.**

14 “(a) Twelve percent of the annual outlay of funds au-
15 thorized by section 23(d) of the Deep Ocean Energy Re-
16 sources Act of 2006 may be granted to schools, univer-
17 sities, and institutions other than those described in sec-
18 tions 3 and 4, with particular consideration awarded to
19 minority serving institutions.

20 “(b) The Secretary shall determine the eligibility of
21 a college or university to receive funding under this Act
22 using criteria that include—

23 “(1) the presence of a substantial program of
24 undergraduate and graduate geoscience instruction
25 and research in one or more of the following special-

1 ties: petroleum geology, geothermal geology, mineral
2 exploration geology, economic geology, industrial
3 minerals geology, mining geology, petroleum geo-
4 physics, mining geophysics, geological engineering,
5 or geophysical engineering that has a demonstrated
6 history of achievement;

7 “(2) evidence of institutional commitment for
8 the purposes of this Act that includes a significant
9 opportunity for participation by undergraduate stu-
10 dents in research;

11 “(3) evidence that such school, university, or in-
12 stitution has or can obtain significant industrial co-
13 operation in activities within the scope of this Act;

14 “(4) agreement by the school, university, or in-
15 stitution to maintain the programs for which the
16 funding is sought for the 10-year period beginning
17 on the date the school, university, or institution first
18 receives such funds; and

19 “(5) requiring that such funding shall be for
20 the purposes set forth in subsections (c) through (h)
21 of section 3 and subject to the conditions set forth
22 in section 3(h).

23 “(c) The Secretary shall seek the advice of the Com-
24 mittee established pursuant to section 11 in determining
25 the criteria used to carry out this section.

1 **“SEC. 7. DESIGNATION OF FUNDS FOR SCHOLARSHIPS AND**
2 **FELLOWSHIPS.**

3 “(a) The Secretary shall utilize 10 percent of the an-
4 nual outlay of funds authorized by section 23(d) of the
5 Deep Ocean Energy Resources Act of 2006 for the pur-
6 pose of providing merit-based scholarships for under-
7 graduate education, graduate fellowships, and
8 postdoctoral fellowships.

9 “(b) In order to receive a scholarship or a graduate
10 fellowship, an individual student must be a lawful perma-
11 nent resident of the United States or a United States cit-
12 izen and must agree in writing to complete a course of
13 studies and receive a degree in petroleum, mining, or min-
14 eral engineering, petroleum geology, geothermal geology,
15 mining and economic geology, petroleum and mining geo-
16 physics, or mineral economics.

17 “(c) The regulations required by section 9 shall re-
18 quire that an individual, in order to retain a scholarship
19 or graduate fellowship, must continue in one of the course
20 of studies listed in subsection (b) of this section, must re-
21 main in good academic standing, as determined by the
22 school, institution, or university and must allow for rein-
23 statement of the scholarship or graduate fellowship by the
24 Secretary, upon the recommendation of the school or insti-
25 tution. Such regulations may also provide for recovery of
26 funds from an individual who fails to complete any of the

1 courses of study listed in subsection (b) of this section
2 after notice that such completion is a requirement of re-
3 ceipt funding under this Act.

4 “(d) To carry out this section, the Secretary shall
5 award grants to schools, universities, and institutions that
6 are eligible to receive funding under section 3, 4 or 6. A
7 school, university, or institution receiving funding under
8 this subsection shall be responsible for enforcing the re-
9 quirements of this section for scholarship or fellowship
10 students and shall return to the Secretary any funds re-
11 covered from an individual under subsection (c). An insti-
12 tution seeking funds under this subsection shall describe,
13 in its application to the Secretary for funding, the number
14 of students that would be awarded scholarships or fellow-
15 ships if the application is approved, how such students
16 would be selected, and how the provisions of this section
17 will be enforced.

18 **“SEC. 8. FUNDING CRITERIA FOR INSTITUTIONS.**

19 “(a) Each application to the Secretary for funds
20 under this Act shall state, among other things, the nature
21 of the project to be undertaken; the period during which
22 it will be pursued; the qualifications of the personnel who
23 will direct and conduct it; the estimated costs; the impor-
24 tance of the project to the Nation, region, or States con-
25 cerned; its relation to other known research projects there-

1 tofore pursued or being pursued; the extent to which the
2 proposed project will maximize the opportunity for the
3 training of undergraduate petroleum, mining, and mineral
4 engineers; geologists and geophysicists; and the extent of
5 participation by nongovernmental sources in the project.

6 “(b) No funds shall be made available under this Act
7 except for an application approved by the Secretary. All
8 funds shall be made available upon the basis of merit of
9 the application, the need for the knowledge that it is ex-
10 pected to produce when completed, and the opportunity
11 it provides for the undergraduate training of individuals
12 as petroleum, mining, and mineral engineers, geologists,
13 and geophysicists. The Secretary may use competitive re-
14 view by nongovernmental experts in relevant fields to de-
15 termine which applications to approve, to the extent prac-
16 ticable.

17 “(c) Funds available under this Act shall be paid at
18 such times and in such amounts during each fiscal year
19 as determined by the Secretary, and upon vouchers ap-
20 proved by the Secretary. Each school, university, or insti-
21 tution that receives funds under this Act shall—

22 “(1) establish its plan to provide for the train-
23 ing of individuals as petroleum, mining, and mineral
24 engineers, geologists, and geophysicists under a cur-

1 riculum appropriate to the field of mineral resources
2 and mineral engineering and related fields;

3 “(2) establish policies and procedures that as-
4 sure that Federal funds made available under this
5 Act for any fiscal year will supplement and, to the
6 extent practicable, increase the level of funds that
7 would, in the absence of such Federal funds, be
8 made available for purposes of this Act, and in no
9 case supplant such funds; and

10 “(3) have an officer appointed by its governing
11 authority who shall receive and account for all funds
12 paid under this Act and shall make an annual report
13 to the Secretary on or before the first day of Sep-
14 tember of each year, on work accomplished and the
15 status of projects underway, together with a detailed
16 statement of the amounts received under this Act
17 during the preceding fiscal year, and of its disburse-
18 ments on schedules prescribed by the Secretary.

19 “(d) If any of the funds received by the authorized
20 receiving officer of a program under this Act are found
21 by the Secretary to have been improperly diminished, lost,
22 or misapplied, such funds shall be recovered by the Sec-
23 retary.

24 “(e) Schools, universities, and institutions receiving
25 funds under this Act are authorized and encouraged to

1 plan and conduct programs under this Act in cooperation
2 with each other and with such other agencies, business en-
3 terprises and individuals.

4 **“SEC. 9. DUTIES OF SECRETARY.**

5 “(a) The Secretary, acting through the Assistant Sec-
6 retary for Land and Minerals Management, shall admin-
7 ister this Act and shall prescribe such rules and regula-
8 tions as may be necessary to carry out its provisions not
9 later than 1 year after the enactment of the Deep Ocean
10 Energy Resources Act of 2006.

11 “(b)(1) There is established in the Department of the
12 Interior, under the supervision of the Assistant Secretary
13 for Land and Minerals Management, an office to be known
14 as the Office of Petroleum and Mining Schools (hereafter
15 in this Act referred to as the ‘Office’) to administer the
16 provisions of this Act. There shall be a Director of the
17 Office who shall be a member of the Senior Executive
18 Service. The position of the Director shall be allocated
19 from among the existing Senior Executive Service posi-
20 tions at the Department of the Interior and shall be a
21 career reserved position as defined in section 3132(a)(8)
22 of title 5, United States Code.

23 “(2) The Director is authorized to appoint a Deputy
24 Director and to employ such officers and employees as
25 may be necessary to enable the Office to carry out its func-

1 tions. Such appointments shall be made from existing po-
2 sitions at the Department of the Interior, and shall be sub-
3 ject to the provisions of title 5, United States Code, gov-
4 erning appointments in the competitive service. Such posi-
5 tions shall be paid in accordance with the provisions of
6 chapter 51 and subchapter III of chapter 53 of such title
7 relating to classification and General Schedule pay rates.

8 “(3) In carrying out his or her functions, the Director
9 shall assist and advise the Secretary and the Committee
10 pursuant to section 11 of this Act by—

11 “(A) providing professional and administrative
12 staff support for the Committee including record-
13 keeping and maintaining minutes of all Committee
14 and subcommittee meetings;

15 “(B) coordinating the activities of the Com-
16 mittee with Federal agencies and departments, and
17 the schools, universities, and institutions to which
18 funds are provided under this Act;

19 “(C) maintaining accurate records of funds dis-
20 bursed for all scholarship and fellowship grants, re-
21 search grants, and grants for career technical edu-
22 cation purposes;

23 “(D) preparing any regulations required to im-
24 plement this Act;

1 “(E) conducting site visits at schools, univer-
2 sities, and institutions receiving funding under this
3 Act; and

4 “(F) serving as a central repository for reports
5 and clearing house for public information on re-
6 search funded by this Act.

7 “(4) The Director or an employee of the Office shall
8 be present at each meeting of the Committee pursuant to
9 section 11 or a subcommittee of such Committee.

10 “(5) The Director is authorized to contract with pub-
11 lic or private agencies, institutions, and organizations and
12 with individuals without regard to section 3324(a) and (b)
13 of title 31, United States Code, and section 5 of title 41,
14 United States Code, in carrying out his or her functions.

15 “(6) As needed the Director shall ascertain whether
16 the requirements of this Act have been met by schools,
17 universities, institutions, and individuals.

18 “(c) The Secretary, acting through the Office of Pe-
19 troleum and Mining Schools, shall furnish such advice and
20 assistance as will best promote the purposes of this Act,
21 shall participate in coordinating research, investigations,
22 demonstrations, and experiments initiated under this Act,
23 shall indicate to schools, universities, and institutions re-
24 ceiving funds under this Act such lines of inquiry that
25 seem most important, and shall encourage and assist in

1 the establishment and maintenance of cooperation between
2 such schools, universities, and institutions, other research
3 organizations, the Department of the Interior, and other
4 Federal agencies.

5 “(d) The Secretary shall establish procedures—

6 “(1) to ensure that each employee and con-
7 tractor of the Office established by this section and
8 each member of the Committee pursuant to section
9 11 of this Act shall disclose to the Secretary any fi-
10 nancial interests in or financial relationships with
11 schools, universities, institutions or individuals re-
12 ceiving funds, scholarships or fellowships under this
13 Act;

14 “(2) to require any employee, contractor, or
15 member of the Committee with a financial relation-
16 ship disclosed under paragraph (1) to recuse them-
17 selves from—

18 “(A) any recommendation or decision re-
19 garding the awarding of funds, scholarships or
20 fellowships; or

21 “(B) any review, report, analysis or inves-
22 tigation regarding compliance with the provi-
23 sions of this Act by a school, university, institu-
24 tion or any individual.

1 “(e) On or before the first day of July of each year
2 beginning after the date of enactment of this sentence,
3 schools, universities, and institutions receiving funds
4 under this Act shall certify compliance with this Act and
5 upon request of the Director of the office established by
6 this section provide documentation of such compliance.

7 “(f) An individual granted a scholarship or fellowship
8 with funds provided under this Act shall through their re-
9 spective school, university, or institution, advise the Direc-
10 tor of the office established by this Act of progress towards
11 completion of the course of studies and upon the awarding
12 of the degree within 30 days after the award.

13 “(g) The regulations required by this section shall in-
14 clude a preference for veterans and service members who
15 have received or will receive either the Afghanistan Cam-
16 paign Medal or the Iraq Campaign Medal as authorized
17 by Public Law 108–234, and Executive Order No. 13363.

18 **“SEC. 10. COORDINATION.**

19 “(a) Nothing in this Act shall be construed to impair
20 or modify the legal relationship existing between any of
21 the schools, universities, and institutions under whose di-
22 rection a program is established with funds provided under
23 this Act and the government of the State in which it is
24 located. Nothing in this Act shall in any way be construed

1 to authorize Federal control or direction of education at
2 any school, university, or institution.

3 “(b) The programs authorized by this Act are in-
4 tended to enhance the Nation’s petroleum, mining, and
5 mineral engineering education programs and to enhance
6 educational programs in petroleum and mining exploration
7 and to increase the number of individuals enrolled in and
8 completing these programs. To achieve this intent, the
9 Secretary and the Committee pursuant to section 11 shall
10 receive the continuing advice and cooperation of all agen-
11 cies of the Federal Government concerned with the identi-
12 fication, exploration, and development of energy and min-
13 eral resources.

14 “(c) Nothing in this Act is intended to give or shall
15 be construed as giving the Secretary any authority over
16 mining and mineral resources research conducted by any
17 agency of the Federal Government, or as repealing or di-
18 minishing existing authorities or responsibilities of any
19 agency of the Federal Government to plan and conduct,
20 contract for, or assist in research in its area of responsi-
21 bility and concern with regard to mining and mineral re-
22 sources.

23 “(d) The schools, universities, and institutions receiv-
24 ing funding under this Act shall make detailed reports to
25 the Office of Petroleum and Mining Schools on projects

1 completed, in progress, or planned with funds provided
2 under this Act. All such reports shall be available to the
3 public on not less than an annual basis through the Office
4 of Petroleum and Mining Schools. All uses, products, proc-
5 esses, and other developments resulting from any re-
6 search, demonstration, or experiment funded in whole or
7 in part under this Act shall be made available promptly
8 to the general public, subject to exception or limitation,
9 if any, as the Secretary may find necessary in the interest
10 of national security, and subject to the applicable Federal
11 law governing patents.

12 **“SEC. 11. COMMITTEE ON PETROLEUM, MINING, AND MIN-**
13 **ERAL ENGINEERING AND ENERGY AND MIN-**
14 **ERAL RESOURCE EDUCATION.**

15 “(a) The Secretary shall appoint a Committee on Pe-
16 troleum, Mining, and Mineral Engineering and Energy
17 and Mineral Resource Education composed of—

18 “(1) the Assistant Secretary of the Interior re-
19 sponsible for land and minerals management and
20 not more than 16 other persons who are knowledge-
21 able in the fields of mining and mineral resources re-
22 search, including 2 university administrators one of
23 whom shall be from historic and existing petroleum
24 and mining schools; a community, technical, or tribal
25 college administrator; a career technical education

1 educator; 6 representatives equally distributed from
2 the petroleum, mining, and aggregate industries; a
3 working miner; a working oilfield worker; a rep-
4 resentative of the Interstate Oil and Gas Compact
5 Commission; a representative from the Interstate
6 Mining Compact Commission; a representative from
7 the Western Governors Association; a representative
8 of the State geologists, and a representative of a
9 State mining and reclamation agency. In making
10 these 16 appointments, the Secretary shall consult
11 with interested groups.

12 “(2) The Assistant Secretary for Land and
13 Minerals Management, in the capacity of the Chair-
14 man of the Committee, may have present during
15 meetings of the Committee representatives of Fed-
16 eral agencies with responsibility for energy and min-
17 erals resources management, energy and mineral re-
18 source investigations, energy and mineral commodity
19 information, international trade in energy and min-
20 eral commodities, mining safety regulation and mine
21 safety research, and research into the development,
22 production, and utilization of energy and mineral
23 commodities. These representatives shall serve as
24 technical advisors to the committee and shall have
25 no voting responsibilities.

1 “(b) The Committee shall consult with, and make rec-
2 ommendations to, the Secretary on policy matters relating
3 to carrying out this Act. The Secretary shall consult with
4 and carefully consider recommendations of the Committee
5 in such matters.

6 “(c) Committee members, other than officers or em-
7 ployees of Federal, State, or local governments, shall be,
8 for each day (including traveltime) during which they are
9 performing Committee business, paid at a rate fixed by
10 the Secretary but not in excess of the daily equivalent of
11 the maximum rate of pay for level IV of the Executive
12 Schedule under section 5136 of title 5, United States
13 Code, and shall be fully reimbursed for travel, subsistence,
14 and related expenses.

15 “(d) The Committee shall be chaired by the Assistant
16 Secretary of the Interior responsible for land and minerals
17 management. There shall also be elected a Vice Chairman
18 by the Committee from among the members referred to
19 in this section. The Vice Chairman shall perform such du-
20 ties as are determined to be appropriate by the committee,
21 except that the Chairman of the Committee must person-
22 ally preside at all meetings of the full Committee. The
23 Committee may organize itself into such subcommittees as
24 the Committee may deem appropriate.

1 “(e) Following completion of the report required by
2 section 385 of the Energy Policy Act of 2005, the Com-
3 mittee shall consider the recommendations of the report,
4 ongoing efforts in the schools, universities, and institu-
5 tions receiving funding under this Act, the Federal and
6 State Governments, and the private sector, and shall for-
7 mulate and recommend to the Secretary a national plan
8 for a program utilizing the fiscal resources provided under
9 this Act. The Committee shall submit such plan to the
10 Secretary for approval. Upon approval, the plan shall
11 guide the Secretary and the Committee in their actions
12 under this Act.

13 “(f) Section 10 of the Federal Advisory Committee
14 Act (5 U.S.C. App. 2) shall not apply to the Committee.

15 **“SEC. 12. CAREER TECHNICAL EDUCATION.**

16 “(a) Up to 25 percent of the annual outlay of funds
17 authorized by section 23(d) of the Deep Ocean Energy Re-
18 sources Act of 2006 may be granted to schools or institu-
19 tions including, but not limited to, colleges, universities,
20 community colleges, tribal colleges and universities, tech-
21 nical institutes, secondary schools, other than those de-
22 scribed in sections 3, 4, 5, and 6, and jointly sponsored
23 apprenticeship and training programs that are authorized
24 by Federal law.

1 “(b) The Secretary shall determine the eligibility of
2 a school or institution to receive funding under this section
3 using criteria that include—

4 “(1) the presence of a State-approved program
5 in mining engineering technology, petroleum engi-
6 neering technology, industrial engineering tech-
7 nology, or industrial technology that—

8 “(A) is focused on technology and its use
9 in energy and mineral production and related
10 maintenance, operational safety, or energy in-
11 frastructure protection and security;

12 “(B) prepares students for advanced or su-
13 pervisory roles in the mining industry or the pe-
14 troleum industry; and

15 “(C) grants either an associate’s degree or
16 a baccalaureate degree in one of the subjects
17 listed in subparagraph (A);

18 “(2) the presence of a program, including a sec-
19 ondary school vocational education program or ca-
20 reer academy, that provides training for individuals
21 entering the petroleum, coal mining, or mineral min-
22 ing industries; or

23 “(3) the presence of a State-approved program
24 of career technical education at a secondary school,

1 offered cooperatively with a community college in
2 one of the industrial sectors of—

3 “(A) agriculture, forestry, or fisheries;

4 “(B) utilities;

5 “(C) construction;

6 “(D) manufacturing; and

7 “(E) transportation and warehousing.

8 “(c) Schools or institutions receiving funds under this
9 section must show evidence of an institutional commit-
10 ment for the purposes of career technical education and
11 provide evidence that the school or institution has received
12 or will receive industry cooperation in the form of equip-
13 ment, employee time, or donations of funds to support the
14 activities that are within the scope of this section.

15 “(d) Schools or institutions receiving funds under
16 this section must agree to maintain the programs for
17 which the funding is sought for a period of 10 years begin-
18 ning on the date the school or institution receives such
19 funds, unless the Secretary finds that a shorter period of
20 time is appropriate for the local labor market or is re-
21 quired by State authorities.

22 “(e) Schools or institutions receiving funds under this
23 section may combine these funds with State funds, and
24 other Federal funds where allowed by law, to carry out
25 programs described in this section, however the use of the

1 funds received under this section must be reported to the
2 Secretary not less than annually.

3 “(f) The Secretary shall seek the advice of the Com-
4 mittee established pursuant to section 11 in determining
5 the criteria used to carry out this section.

6 **“SEC. 13. DEPARTMENT OF THE INTERIOR WORKFORCE EN-
7 HANCEMENT.**

8 “(a) PHYSICAL SCIENCE, ENGINEERING AND TECH-
9 NOLOGY SCHOLARSHIP PROGRAM.—

10 “(1) From the amount of funds available to
11 carry out this section, the Secretary shall use 30
12 percent of that amount to provide financial assist-
13 ance for education in physical sciences, engineering,
14 and engineering or industrial technology and dis-
15 ciplines that, as determined by the Secretary, are
16 critical to the functions of the Department of the In-
17 terior and are needed in the Department of the Inte-
18 rior workforce.

19 “(2) The Secretary of the Interior may award
20 a scholarship in accordance with this section to a
21 person who—

22 “(A) is a citizen of the United States;

23 “(B) is pursuing an undergraduate or ad-
24 vanced degree in a critical skill or discipline de-

1 scribed in paragraph (1) at an institution of
2 higher education; and

3 “(C) enters into a service agreement with
4 the Secretary of the Interior as described in
5 subsection (e).

6 “(3) The amount of the financial assistance
7 provided under a scholarship awarded to a person
8 under this subsection shall be the amount deter-
9 mined by the Secretary of the Interior as being nec-
10 essary to pay all educational expenses incurred by
11 that person, including tuition, fees, cost of books,
12 laboratory expenses, and expenses of room and
13 board. The expenses paid, however, shall be limited
14 to those educational expenses normally incurred by
15 students at the institution of higher education in-
16 volved.

17 “(b) SCHOLARSHIP PROGRAM FOR STUDENTS AT-
18 TENDING MINORITY SERVING HIGHER EDUCATION INSTI-
19 TUTIONS.—

20 “(1) From the amount of funds available to
21 carry out this section, the Secretary shall use 35
22 percent of that amount to award scholarships in ac-
23 cordance with this section to persons who—

24 “(A) are enrolled in a Minority Serving
25 Higher Education Institutions.

1 “(B) are citizens or nationals of the
2 United States;

3 “(C) are pursuing an undergraduate or ad-
4 vanced degree in agriculture, engineering, engi-
5 neering or industrial technology, or physical
6 sciences, or other discipline that is found by the
7 Secretary to be critical to the functions of the
8 Department of the Interior and are needed in
9 the Department of the Interior workforce; and

10 “(D) enter into a service agreement with
11 the Secretary of the Interior as described in
12 subsection (e).

13 “(2) The amount of the financial assistance
14 provided under a scholarship awarded to a person
15 under this subsection shall be the amount deter-
16 mined by the Secretary of the Interior as being nec-
17 essary to pay all educational expenses incurred by
18 that person, including tuition, fees, cost of books,
19 laboratory expenses, and expenses of room and
20 board. The expenses paid, however, shall be limited
21 to those educational expenses normally incurred by
22 students at the institution of higher education in-
23 volved.

24 “(c) EDUCATION PARTNERSHIPS WITH MINORITY
25 SERVING HIGHER EDUCATION INSTITUTIONS.—

1 “(1) The Secretary shall require the director of
2 each Bureau and Office, to foster the participation
3 of Minority Serving Higher Education Institutions
4 in any regulatory activity, land management activity,
5 science activity, engineering or industrial technology
6 activity, or engineering activity carried out by the
7 Department of the Interior.

8 “(2) From the amount of funds available to
9 carry out this section, the Secretary shall use 35
10 percent of that amount to support activities at Mi-
11 nority Serving Higher Education Institutions by—

12 “(A) funding faculty and students in these
13 institutions in collaborative research projects
14 that are directly related to the Departmental or
15 Bureau missions;

16 “(B) allowing equipment transfer to Mi-
17 nority Serving Higher Education Institutions as
18 a part of a collaborative research program di-
19 rectly related to a Departmental or Bureau mis-
20 sion;

21 “(C) allowing faculty and students at these
22 Minority Serving Higher Education Institutions
23 to participate Departmental and Bureau train-
24 ing activities;

1 “(D) funding paid internships in Depart-
2 mental and Bureau facilities for students at Mi-
3 nority Serving Higher Education Institutions;

4 “(E) assigning Departmental and Bureau
5 personnel to positions located at Minority Serv-
6 ing Higher Educational Institutions to serve as
7 mentors to students interested in a science,
8 technology or engineering disciplines related to
9 the mission of the Department or the Bureaus.

10 “(d) SERVICE AGREEMENT FOR RECIPIENTS OF AS-
11 SISTANCE.—

12 “(1) To receive financial assistance under sub-
13 section (a) or (b) of this section—

14 “(A) in the case of an employee of the De-
15 partment of the Interior, the employee shall
16 enter into a written agreement to continue in
17 the employment of the department for the pe-
18 riod of obligated service determined under para-
19 graph (2); and

20 “(B) in the case of a person not an em-
21 ployee of the Department of the Interior, the
22 person shall enter into a written agreement to
23 accept and continue employment in the Depart-
24 ment of the Interior for the period of obligated
25 service determined under paragraph (2).

1 “(2) For the purposes of this section, the period
2 of obligated service for a recipient of a scholarship
3 under this section shall be the period determined by
4 the Secretary of the Interior as being appropriate to
5 obtain adequate service in exchange for the financial
6 assistance provided under the scholarship. In no
7 event may the period of service required of a recipi-
8 ent be less than the total period of pursuit of a de-
9 gree that is covered by the scholarship. The period
10 of obligated service is in addition to any other period
11 for which the recipient is obligated to serve in the
12 civil service of the United States.

13 “(3) An agreement entered into under this sub-
14 section by a person pursuing an academic degree
15 shall include any terms and conditions that the Sec-
16 retary of the Interior determines necessary to pro-
17 tect the interests of the United States or otherwise
18 appropriate for carrying out this section.

19 “(e) REFUND FOR PERIOD OF UNSERVED OBLI-
20 GATED SERVICE.—

21 “(1) A person who voluntarily terminates serv-
22 ice before the end of the period of obligated service
23 required under an agreement entered into under
24 subsection (d) shall refund to the United States an
25 amount determined by the Secretary of the Interior

1 as being appropriate to obtain adequate service in
2 exchange for financial assistance.

3 “(2) An obligation to reimburse the United
4 States imposed under paragraph (1) is for all pur-
5 poses a debt owed to the United States.

6 “(3) The Secretary of the Interior may waive,
7 in whole or in part, a refund required under para-
8 graph (1) if the Secretary determines that recovery
9 would be against equity and good conscience or
10 would be contrary to the best interests of the United
11 States.

12 “(4) A discharge in bankruptcy under title 11,
13 United States Code, that is entered less than five
14 years after the termination of an agreement under
15 this section does not discharge the person signing
16 such agreement from a debt arising under such
17 agreement or under this subsection.

18 “(f) RELATIONSHIP TO OTHER PROGRAMS.—The
19 Secretary of the Interior shall coordinate the provision of
20 financial assistance under the authority of this section
21 with the provision of financial assistance under the au-
22 thorities provided in this Act in order to maximize the ben-
23 efits derived by the Department of Interior from the exer-
24 cise of all such authorities.

1 “(g) REPORT.—Not later than September 1 of each
2 year, the Secretary of the Interior shall submit to the Con-
3 gress a report on the status of the assistance program car-
4 ried out under this section. The report shall describe the
5 programs within the Department designed to recruit and
6 retain a workforce on a short-term basis and on a long-
7 term basis.

8 “(h) DEFINITIONS.—As used in this section:

9 “(1) The term ‘Minority Serving Higher Edu-
10 cation Institutions’ means a Hispanic-serving insti-
11 tution, historically Black college or university, Alas-
12 ka Native-serving institution, tribal college or uni-
13 versity, or insular area school.

14 “(2) The term ‘Hispanic-serving institution’ has
15 the meaning given the term in section 502(a) of the
16 Higher Education Act of 1965 (20 U.S.C.
17 1101a(a)).

18 “(3) The term ‘historically Black college or uni-
19 versity’ has the meaning given the term ‘part B in-
20 stitution’ in section 322 of the Higher Education
21 Act of 1965 (20 U.S.C. 1061).

22 “(4) The term ‘tribal college or university’ has
23 the meaning given the term ‘Tribal College or Uni-
24 versity’ in section 316(b)(3) of the Higher Edu-
25 cation Act of 1965 (20 U.S.C. 1059c).

1 “(5) The term ‘institution of higher education’
2 has the meaning given such term in section 101 of
3 the Higher Education Act of 1965 (20 U.S.C.
4 1001).

5 “(6) The term ‘Alaska Native-serving institu-
6 tion’ has the meaning given the term in section 317
7 of the Higher Education Act of 1965 (20 U.S.C.
8 1059d).

9 “(7) The term ‘insular area school’ means an
10 academic institution or university in American
11 Samoa, Guam, The Northern Mariana Islands,
12 Puerto Rico, and the Virgin Islands, or any other
13 territory or possession of the United States.

14 “(i) FUNDING.—To implement this section, the Sec-
15 retary shall use 3 percent of the annual outlay authorized
16 by section 23(d) of the Deep Ocean Energy Resources Act
17 of 2006.”.

18 (b) FUNDING FOR ENERGY RESEARCH.—

19 (1) Using 20 percent of the funds authorized by
20 subsection (d), the Secretary of Energy, through the
21 energy supply research and development programs of
22 the Department of Energy, and in consultation with
23 the Office of Science of the Department of Energy,
24 shall carry out a program to award grants to institu-
25 tions of higher education on the basis of competitive,

1 merit-based review, for the purpose of conducting re-
2 search on advanced energy technologies with the po-
3 tential to transform the energy systems of the
4 United States so as to—

5 (A) reduce dependence on foreign energy
6 supplies;

7 (B) reduce or eliminate emissions of green-
8 house gases;

9 (C) reduce negative environmental effects
10 associated with energy production, storage, and
11 use; and

12 (D) enhance the competitiveness of United
13 States energy technology exports.

14 (2) Awards made under this subsection may in-
15 clude funding for—

16 (A) energy efficiency;

17 (B) renewable energy, including solar,
18 wind, and biofuels; and

19 (C) nuclear, hydrogen, and any other en-
20 ergy research that could accomplish the purpose
21 set forth in paragraph (1).

22 (3) The Secretary of Energy may require or au-
23 thorize grantees under this subsection to partner
24 with industry, but only to the extent that such a re-
25 quirement does not prevent long-range, potentially

1 pathbreaking research from being funded under this
2 subsection.

3 (4) An institution of higher education seeking
4 funding under this subsection shall submit an appli-
5 cation at such time, in such manner, and containing
6 such information as the Secretary of Energy may re-
7 quire.

8 (5) In this subsection, the term “institution of
9 higher education” has the meaning given that term
10 in section 101(a) of the Higher Education Act of
11 1965.

12 (c) FUNDING FOR ENERGY SCHOLARSHIPS.—

13 (1) Using 5 percent of the funds authorized by
14 subsection (d), the Secretary of Energy, through the
15 energy supply research and development programs of
16 the Department of Energy, and in consultation with
17 the Office of Science of the Department of Energy,
18 shall carry out a program to award grants to institu-
19 tions of higher education on the basis of competitive,
20 merit-based review, to grant graduate traineeships to
21 Ph.D. students who are citizens of the United States
22 who will carry out research on advanced energy tech-
23 nologies to accomplish the purpose set forth in sub-
24 section (c)(1).

1 (2) Awards made under this subsection may in-
2 clude funding for—

3 (A) energy efficiency;

4 (B) renewable energy, including solar,
5 wind, and biofuels; and

6 (C) nuclear, hydrogen, and any other en-
7 ergy research that would accomplish the pur-
8 pose set forth in subsection (e)(1) that is not el-
9 igible for funding under section 7 of the Energy
10 and Mineral Schools Reinvestment Act.

11 (3) An institution of higher education seeking
12 funding under this subsection shall submit an appli-
13 cation at such time, in such manner, and containing
14 such information as the Secretary of Energy may re-
15 quire.

16 (4) In this subsection, the term “institution of
17 higher education” has the meaning given that term
18 in section 101(a) of the Higher Education Act of
19 1965.

20 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
21 authorized to be appropriated to carry out this section
22 \$150,000,000 for each of fiscal years 2007 through 2017.

23 **SEC. 22. ONSHORE AND OFFSHORE MINERAL LEASE FEES.**

24 Except as otherwise provided in this Act, the Depart-
25 ment of the Interior is prohibited from charging fees appli-

1 cable to actions on Federal onshore and offshore oil and
2 gas, coal, geothermal, and other mineral leases, including
3 transportation of any production from such leases, if such
4 fees were not established in final regulations prior to the
5 date of issuance of the lease.

6 **SEC. 23. OCS REGIONAL HEADQUARTERS.**

7 The headquarters for the Gulf of Mexico Region shall
8 permanently be located within the State of Louisiana with-
9 in 25 miles of the center of Jackson Square, New Orleans,
10 Louisiana. Further, not later than July 1, 2008, the Sec-
11 retary of the Interior shall establish the headquarters for
12 the Atlantic OCS Region and the headquarters for the Pa-
13 cific OCS Region within a State bordering the Atlantic
14 OCS Region and a State bordering the Pacific OCS Re-
15 gion, respectively, from among the States bordering those
16 Regions, that petitions by no later than January 1, 2008,
17 for leasing, for oil and gas or natural gas, covering at least
18 40 percent of the area of its Adjacent Zone within 100
19 miles of the coastline. Such Atlantic and Pacific OCS Re-
20 gions headquarters shall be located within 25 miles of the
21 coastline and each MMS OCS regional headquarters shall
22 be the permanent duty station for all Minerals Manage-
23 ment Service personnel that on a daily basis spend on av-
24 erage 60 percent or more of their time in performance of
25 duties in support of the activities of the respective Region,

1 except that the Minerals Management Service may house
2 regional inspection staff in other locations. Each OCS Re-
3 gion shall each be led by a Regional Director who shall
4 be an employee within the Senior Executive Service.

5 **SEC. 24. NATIONAL GEO FUND ACT OF 2006.**

6 (a) **SHORT TITLE.**—This section may be cited as the
7 “National Geo Fund Act of 2006”.

8 (b) **PURPOSES.**—The purpose of this section is to
9 provide for the management of geologic programs, geologic
10 mapping, geophysical and other seismic studies, seismic
11 monitoring programs, and the preservation and use of geo-
12 logic and geophysical data, geothermal and geopressure
13 energy resource management, unconventional energy re-
14 sources management, and renewable energy management
15 associated with ocean wave, current, and thermal re-
16 sources.

17 (c) **STATE DEFINED.**—In this section the term
18 “State” means the agency of a State designated by its
19 Governor or State law to perform the functions and activi-
20 ties described in subsection (b).

21 (d) **STRATEGIC UNCONVENTIONAL RESOURCES.**—

22 (1) **PROGRAM.**—The Secretary of the Interior
23 shall establish a program for production of fuels
24 from strategic unconventional resources, and produc-
25 tion of oil and gas resources using CO₂ enhanced re-

1 covery. The program shall focus initially on activities
2 and domestic resources most likely to result in sig-
3 nificant production in the near future, and shall in-
4 clude work necessary to improve extraction tech-
5 niques, including surface and in situ operations. The
6 program shall include characterization and assess-
7 ment of potential resources, a sampling program,
8 appropriate laboratory and other analyses and test-
9 ing, and assessment of methods for exploration and
10 development of these strategic unconventional re-
11 sources.

12 (2) PILOT PROJECTS.—The program created in
13 paragraph (1) shall include, but not be limited to,
14 pilot projects on (A) the Maverick Basin heavy oil
15 and tar sands formations of Texas, including the
16 San Miguel deposits, (B) the Greater Green River
17 Basin heavy oil, oil shale, tar sands, and coal depos-
18 its of Colorado, Utah, and Wyoming, (C) the shale,
19 tar sands, heavy oil, and coal deposits in the Ala-
20 bama-Mississippi-Tennessee region, (D) the shale,
21 tar sands, heavy oil, and coal deposits in the Ohio
22 River valley, and (E) strategic unconventional re-
23 sources in California. The Secretary shall identify
24 and report to Congress on feasible incentives to fos-
25 ter recovery of unconventional fuels by private indus-

1 try within the United States. Such incentives may
2 include, but are not limited to, long-term contracts
3 for the purchase of unconventional fuels for defense
4 purposes, Federal grants and loan guarantees for
5 necessary capital expenditures, and favorable terms
6 for the leasing of Government lands containing un-
7 conventional resources.

8 (3) DEFINITIONS.—In this subsection:

9 (A) STRATEGIC UNCONVENTIONAL RE-
10 SOURCES.—The term “strategic unconventional
11 resources” means hydrocarbon resources, in-
12 cluding heavy oil, oil shale, tar sands, and coal
13 deposits, from which liquid fuels may be pro-
14 duced.

15 (B) IN SITU EXTRACTION METHODS.—The
16 term “in situ extraction methods” means recov-
17 ery techniques that are applied to the resources
18 while they are still in the ground, and are in
19 commercial use or advanced stages of develop-
20 ment. Such techniques include, but are not lim-
21 ited to, steam flooding, steam-assisted gravity
22 drainage (including combination with electric
23 power generation where appropriate), cyclic
24 steam stimulation, air injection, and chemical
25 treatment.

1 (4) AUTHORIZATION OF APPROPRIATIONS.—

2 There is authorized to be appropriated to carry out
3 this subsection for each of fiscal years 2007 through
4 2011 not less than \$35,000,000. Each pilot project
5 shall be allocated not less than \$4,000,000 per year
6 in each of fiscal years 2007 through 2011.

7 (e) SUPPORT OF GEOTHERMAL AND GEOPRESSURE
8 OIL AND GAS ENERGY PRODUCTION.—

9 (1) IN GENERAL.—The Secretary shall carry
10 out a grant program in support of geothermal and
11 geopressure oil and gas energy production. The pro-
12 gram shall include grants for a total of not less than
13 three assessments of the use of innovative geo-
14 thermal techniques such as organic rankine cycle
15 systems at marginal, unproductive, and productive
16 oil and gas wells, and not less than one assessment
17 of the use of innovative geopressure techniques. The
18 Secretary shall, to the extent practicable and in the
19 public interest, make awards that—

20 (A) include not less than five oil or gas
21 well sites per project award;

22 (B) use a range of oil or gas well hot water
23 source temperatures from 150 degrees Fahr-
24 enheit to 300 degrees Fahrenheit;

25 (C) use existing or new oil or gas wells;

1 (D) cover a range of sizes from 175 kilo-
2 watts to one megawatt;

3 (E) are located at a range of sites includ-
4 ing tribal lands, Federal lease, State, or pri-
5 vately owned sites;

6 (F) can be replicated at a wide range of
7 sites;

8 (G) facilitate identification of optimum
9 techniques among competing alternatives;

10 (H) include business commercialization
11 plans that have the potential for production of
12 equipment at high volumes and operation and
13 support at a large number of sites; and

14 (I) satisfy other criteria that the Secretary
15 determines are necessary to carry out the pro-
16 gram.

17 The Secretary shall give preference to assessments
18 that address multiple elements contained in subpara-
19 graphs (A) through (I).

20 (2) GRANT AWARDS.—

21 (A) IN GENERAL.—Each grant award for
22 assessment of innovative geothermal or
23 geopressure technology such as organic rankine
24 cycle systems at oil and gas wells made by the
25 Secretary under this section shall include—

- 1 (i) necessary and appropriate site en-
2 gineering study;
- 3 (ii) detailed economic assessment of
4 site specific conditions;
- 5 (iii) appropriate feasibility studies to
6 determine ability for replication;
- 7 (iv) design or adaptation of existing
8 technology for site specific circumstances
9 or conditions;
- 10 (v) installation of equipment, service,
11 and support; and
- 12 (vi) monitoring for a minimum of one
13 year after commissioning date.

14 (3) COMPETITIVE GRANT SELECTION.—Not less
15 than 180 days after the date of the enactment of
16 this Act, the Secretary shall conduct a national solici-
17 tation for applications for grants under the pro-
18 gram. Grant recipients shall be selected on a com-
19 petitive basis based on criteria in subsection (b).

20 (4) FEDERAL SHARE.—The Federal share of
21 costs of grants under this subsection shall be pro-
22 vided from funds made available to carry out this
23 section. The Federal share of the cost of a project
24 carried out with such a grant shall not exceed 50
25 percent of such cost.

1 (5) AUTHORIZATION OF APPROPRIATIONS.—

2 There is authorized to be appropriated to carry out
3 this subsection for each of fiscal years 2007 through
4 2011 not less than \$5,000,000. No funds authorized
5 under this section may be used for the purposes of
6 drilling new wells.

7 (6) AMENDMENT.—Section 4 of the Geothermal
8 Steam Act of 1970 (30 USC 1003) is amended by
9 adding at the end the following:

10 “(h) GEOTHERMAL RESOURCES CO-PRODUCED
11 WITH THE MINERALS.—Any person who holds a lease or
12 who operates a cooperative or unit plan under the Mineral
13 Leasing Act, in the absence of an existing lease for geo-
14 thermal resources under this Act, shall upon notice to the
15 Secretary have the right to utilize any geothermal re-
16 sources co-produced with the minerals for which the lease
17 was issued during the operation of that lease or coopera-
18 tive or unit plan, for the generating of electricity to oper-
19 ate the lease. Any electricity that is produced in excess
20 of that which is required to operate the lease and that
21 is sold for purposes outside of the boundary of the lease
22 shall be subject to the requirements of section 5.”.

23 (f) LIQUID FUELS GRANT PROGRAM.—

24 (1) PROGRAM.—The Secretary of the Interior
25 shall establish a grant program for facilities for coal-

1 to-liquids, petroleum coke-to-liquids, oil shale, tar
2 sands, heavy oil, and Alaska natural gas-to-liquids
3 and to assess the production of low-rank coal water
4 fuel (in this subsection referred to as “LRCWF”).

5 (2) LRCWF.—The LRCWF grant project loca-
6 tion shall use lignite coal from fields near the
7 Tombigbee River within 60 miles of a land-grant col-
8 lege and shall be allocated \$15,000,000 for expendi-
9 ture during fiscal year 2007.

10 (3) DEFINITIONS.—In this subsection:

11 (A) COAL-TO-LIQUIDS FRONT-END ENGI-
12 NEERING AND DESIGN.—The terms “coal-to-liq-
13 uids front-end engineering and design” and
14 “FEED” mean those expenditures necessary to
15 engineer, design, and obtain permits for a facil-
16 ity for a particular geographic location which
17 will utilize a process or technique to produce
18 liquid fuels from coal resources.

19 (B) LOW-RANK COAL WATER FUEL.—In
20 this subsection the term “low-rank coal water
21 fuel” means a liquid fuel produced from hydro-
22 thermal treatment of lignite and sub-bituminous
23 coals.

24 (4) GRANT PROVISIONS.—All grants shall re-
25 quire a 50 percent non-Federal cost share. The first

1 4 FEED grant recipients who receive full project
2 construction financing commitments, based on ear-
3 liest calendar date, shall not be required to repay
4 any of their grants. The next 4 FEED grant recipi-
5 ents who receive such commitments shall be required
6 to repay 25 percent of the grant. The next 4 FEED
7 grant recipients who receive such commitments shall
8 be required to repay 50 percent of the grant, and
9 the remaining FEED grant recipients shall be re-
10 quired to repay 75 percent of the grant. The
11 LRCWF recipient shall not be required to repay the
12 grant. Any required repayment shall be paid as part
13 of the closing process for any construction financing
14 relating to the grant. No repayment shall require the
15 payment of interest if repaid within 5 years of the
16 issuance of the grant. FEED grants shall be limited
17 to a maximum of \$1,000,000 per 1,000 barrels per
18 day of liquid fuels production capacity, not to exceed
19 \$25 million per year.

20 (5) AUTHORIZATION OF APPROPRIATIONS.—

21 There is authorized to be appropriated to carry out
22 this subsection—

23 (A) \$65,000,000 for fiscal year 2007; and

24 (B) \$37,500,000 for each of fiscal years

25 2008 through 2013.

1 (g) RENEWABLE ENERGY FROM OCEAN WAVE, CUR-
2 RENT, AND THERMAL RESOURCES.—

3 (1) PROGRAM.—The Secretary of the Interior
4 shall establish a grant program for the production of
5 renewable energy from ocean waves, currents, and
6 thermal resources.

7 (2) GRANT PROVISIONS.—All grants under this
8 subsection shall require a 50 percent non-Federal
9 cost share.

10 (3) AUTHORIZATION OF APPROPRIATIONS.—
11 There is authorized to be appropriated to carry out
12 this subsection funds for each of fiscal years 2007
13 through 2011 in the amount of not less than
14 \$20,000,000 each year, and thereafter in such
15 amounts as the Secretary may find appropriate.

16 (h) AMENDMENT TO THE SURFACE MINING CON-
17 TROL AND RECLAMATION ACT OF 1977.—Section 507 of
18 the Surface Mining Control and Reclamation Act of 1977
19 (30 U.S.C. 1267) is amended by adding at the end the
20 following:

21 “(i) Any person who provides the regulatory authority
22 with a map under subsection (b)(13) or (b)(14) shall not
23 be liable to any other person in any way for the accuracy
24 or completeness of any such map which was not prepared
25 and certified by or on behalf of such person.”.

1 **SEC. 25. LEASES FOR AREAS LOCATED WITHIN 100 MILES**
2 **OF CALIFORNIA OR FLORIDA.**

3 (a) AUTHORIZATION TO CANCEL AND EXCHANGE
4 CERTAIN EXISTING OIL AND GAS LEASES; PROHIBITION
5 ON SUBMITTAL OF EXPLORATION PLANS FOR CERTAIN
6 LEASES PRIOR TO JUNE 30, 2010.—

7 (1) AUTHORITY.—Within 2 years after the date
8 of enactment of this Act, the lessee of an existing oil
9 and gas lease for an area located completely within
10 100 miles of the coastline within the California or
11 Florida Adjacent Zones shall have the option, with-
12 out compensation, of exchanging such lease for a
13 new oil and gas lease having a primary term of 5
14 years. For the area subject to the new lease, the les-
15 see may select any unleased tract on the outer Con-
16 tinental Shelf that is in an area available for leasing.
17 Further, with the permission of the relevant Gov-
18 ernor, such a lessee may convert its existing oil and
19 gas lease into a natural gas lease having a primary
20 term of 5 years and covering the same area as the
21 existing lease or another area within the same
22 State's Adjacent Zone within 100 miles of the coast-
23 line.

24 (2) ADMINISTRATIVE PROCESS.—The Secretary
25 of the Interior shall establish a reasonable adminis-
26 trative process to implement paragraph (1). Ex-

1 changes and conversions under subsection (a), in-
2 cluding the issuance of new leases, shall not be con-
3 sidered to be major Federal actions for purposes of
4 the National Environmental Policy Act of 1969 (42
5 U.S.C. 4321 et seq.). Further, such actions con-
6 ducted in accordance with this section are deemed to
7 be in compliance all provisions of the Outer Conti-
8 mental Shelf Lands Act (43 U.S.C. 1331 et seq.).

9 (3) OPERATING RESTRICTIONS.—A new lease
10 issued in exchange for an existing lease under this
11 section shall be subject to such national defense op-
12 erating stipulations on the OCS tract covered by the
13 new lease as may be applicable upon issuance.

14 (4) PRIORITY.—The Secretary shall give pri-
15 ority in the lease exchange process based on the
16 amount of the original bonus bid paid for the
17 issuance of each lease to be exchanged. The Sec-
18 retary shall allow leases covering partial tracts to be
19 exchanged for leases covering full tracts conditioned
20 upon payment of additional bonus bids on a per-acre
21 basis as determined by the average per acre of the
22 original bonus bid per acre for the partial tract
23 being exchanged.

24 (5) EXPLORATION PLANS.—Any exploration
25 plan submitted to the Secretary of the Interior after

1 the date of the enactment of this Act and before
2 July 1, 2010, for an oil and gas lease for an area
3 wholly within 100 miles of the coastline within the
4 California Adjacent Zone or Florida Adjacent Zone
5 shall not be treated as received by the Secretary
6 until the earlier of July 1, 2010, or the date on
7 which a petition by the Adjacent State for oil and
8 gas leasing covering the area within which is located
9 the area subject to the oil and gas lease was ap-
10 proved.

11 (b) FURTHER LEASE CANCELLATION AND EX-
12 CHANGE PROVISIONS.—

13 (1) CANCELLATION OF LEASE.—As part of the
14 lease exchange process under this section, the Sec-
15 retary shall cancel a lease that is exchanged under
16 this section.

17 (2) CONSENT OF LESSEES.—All lessees holding
18 an interest in a lease must consent to cancellation
19 of their leasehold interests in order for the lease to
20 be cancelled and exchanged under this section.

21 (3) WAIVER OF RIGHTS.—As a prerequisite to
22 the exchange of a lease under this section, the lessee
23 must waive any rights to bring any litigation against
24 the United States related to the transaction.

1 (4) PLUGGING AND ABANDONMENT.—The plug-
2 ging and abandonment requirements for any wells
3 located on any lease to be cancelled and exchanged
4 under this section must be complied with by the les-
5 sees prior to the cancellation and exchange.

6 (c) AREA PARTIALLY WITHIN 100 MILES OF FLOR-
7 IDA.—An existing oil and gas lease for an area located
8 partially within 100 miles of the coastline within the Flor-
9 ida n Adjacent Zone may only be developed and produced
10 using wells drilled from well-head locations at least 100
11 miles from the coastline to any bottom-hole location on
12 the area of the lease. This subsection shall not apply if
13 Florida has petitioned for leasing closer to the coastline
14 than 100 miles.

15 (d) EXISTING OIL AND GAS LEASE DEFINED.—In
16 this section the term “existing oil and gas lease” means
17 an oil and gas lease in effect on the date of the enactment
18 of this Act.

19 **SEC. 26. COASTAL IMPACT ASSISTANCE.**

20 Section 31 of the Outer Continental Shelf Lands Act
21 (43 U.S.C. 1356a) is repealed.

22 **SEC. 27. OIL SHALE AND TAR SANDS AMENDMENTS.**

23 (a) REPEAL OF REQUIREMENT TO ESTABLISH PAY-
24 MENTS.—Section 369(o) of the Energy Policy Act of 2005

1 (Public Law 109–58; 119 Stat. 728; 42 U.S.C. 15927)
2 is repealed.

3 (b) TREATMENT OF REVENUES.—Section 21 of the
4 Mineral Leasing Act (30 U.S.C. 241) is amended by add-
5 ing at the end the following:

6 “(e) REVENUES.—

7 “(1) IN GENERAL.—Notwithstanding the provi-
8 sions of section 35, all revenues received from and
9 under an oil shale or tar sands lease shall be dis-
10 posed of as provided in this subsection.

11 “(2) ROYALTY RATES FOR COMMERCIAL
12 LEASES.—

13 “(A) ROYALTY RATES.—The Secretary
14 shall model the royalty schedule for oil shale
15 and tar sands leases based on the royalty pro-
16 gram currently in effect for the production of
17 synthetic crude oil from oil sands in the Prov-
18 ince of Alberta, Canada.

19 “(B) REDUCTION.—The Secretary shall re-
20 duce any royalty otherwise required to be paid
21 under subparagraph (A) under any oil shale or
22 tar sands lease on a sliding scale based upon
23 market price, with a 10 percent reduction if the
24 average futures price of NYMEX Light Sweet
25 Crude, or a similar index, drops, for the pre-

1 vious quarter year, below \$50 (in January 1,
2 2006, dollars), and an 80 percent reduction if
3 the average price drops below \$30 (in January
4 1, 2006, dollars) for the quarter previous to the
5 one in which the production is sold.

6 “(3) DISPOSITION OF REVENUES.—

7 “(A) DEPOSIT.—The Secretary shall de-
8 posit into a separate account in the Treasury
9 all revenues derived from any oil shale or tar
10 sands lease.

11 “(B) ALLOCATIONS TO STATES AND LOCAL
12 POLITICAL SUBDIVISIONS.—The Secretary shall
13 allocate 50 percent of the revenues deposited
14 into the account established under subpara-
15 graph (A) to the State within the boundaries of
16 which the leased lands are located, with a por-
17 tion of that to be paid directly by the Secretary
18 to the State’s local political subdivisions as pro-
19 vided in this paragraph.

20 “(C) TRANSMISSION OF ALLOCATIONS.—

21 “(i) IN GENERAL.—Not later than the
22 last business day of the month after the
23 month in which the revenues were received,
24 the Secretary shall transmit—

1 “(I) to each State two-thirds of
2 such State’s allocations under sub-
3 paragraph (B), and in accordance
4 with clauses (ii) and (iii) to certain
5 county-equivalent and municipal polit-
6 ical subdivisions of such State a total
7 of one-third of such State’s allocations
8 under subparagraph (B), together
9 with all accrued interest thereon; and

10 “(II) the remaining balance of
11 such revenues deposited into the ac-
12 count that are not allocated under
13 subparagraph (B), together with in-
14 terest thereon, shall be transmitted to
15 the miscellaneous receipts account of
16 the Treasury, except that until a lease
17 has been in production for 20 years
18 50 percent of such remaining balance
19 derived from a lease shall be paid in
20 accordance with subclause (I).

21 “(ii) ALLOCATIONS TO CERTAIN
22 COUNTY-EQUIVALENT POLITICAL SUBDIVI-
23 SIONS.—The Secretary shall under clause
24 (i)(I) make equitable allocations of the rev-
25 enues to county-equivalent political sub-

1 divisions that the Secretary determines are
2 closely associated with the leasing and pro-
3 duction of oil shale and tar sands, under a
4 formula that the Secretary shall determine
5 by regulation.

6 “(iii) ALLOCATIONS TO MUNICIPAL
7 POLITICAL SUBDIVISIONS.—The initial al-
8 location to each county-equivalent political
9 subdivision under clause (ii) shall be fur-
10 ther allocated to the county-equivalent po-
11 litical subdivision and any municipal polit-
12 ical subdivisions located partially or wholly
13 within the boundaries of the county-equiva-
14 lent political subdivision on an equitable
15 basis under a formula that the Secretary
16 shall determine by regulation.

17 “(D) INVESTMENT OF DEPOSITS.—The de-
18 posits in the Treasury account established
19 under this section shall be invested by the Sec-
20 retary of the Treasury in securities backed by
21 the full faith and credit of the United States
22 having maturities suitable to the needs of the
23 account and yielding the highest reasonably
24 available interest rates as determined by the
25 Secretary of the Treasury.

1 “(E) USE OF FUNDS.—A recipient of
2 funds under this subsection may use the funds
3 for any lawful purpose as determined by State
4 law. Funds allocated under this subsection to
5 States and local political subdivisions may be
6 used as matching funds for other Federal pro-
7 grams without limitation. Funds allocated to
8 local political subdivisions under this subsection
9 may not be used in calculation of payments to
10 such local political subdivisions under programs
11 for payments in lieu of taxes or other similar
12 programs.

13 “(F) NO ACCOUNTING REQUIRED.—No re-
14 cipient of funds under this subsection shall be
15 required to account to the Federal Government
16 for the expenditure of such funds, except as
17 otherwise may be required by law.

18 “(4) DEFINITIONS.—In this subsection:

19 “(A) COUNTY-EQUIVALENT POLITICAL
20 SUBDIVISION.—The term ‘county-equivalent po-
21 litical subdivision’ means a political jurisdiction
22 immediately below the level of State govern-
23 ment, including a county, parish, borough in
24 Alaska, independent municipality not part of a

1 county, parish, or borough in Alaska, or other
2 equivalent subdivision of a State.

3 “(B) MUNICIPAL POLITICAL SUBDIVI-
4 SION.—The term ‘municipal political subdivi-
5 sion’ means a municipality located within and
6 part of a county, parish, borough in Alaska, or
7 other equivalent subdivision of a State.”.

8 **SEC. 28. AVAILABILITY OF OCS RECEIPTS TO PROVIDE PAY-**
9 **MENTS UNDER SECURE RURAL SCHOOLS**
10 **AND COMMUNITY SELF-DETERMINATION ACT**
11 **OF 2000.**

12 Section 9 of the Outer Continental Shelf Lands Act
13 (43 U.S.C. 1338) is amended by inserting after subsection
14 (i), as added by section 7 of this Act, the following new
15 subsection:

16 “(j) CONDITIONAL AVAILABILITY OF FUNDS FOR
17 PAYMENTS UNDER SECURE RURAL SCHOOLS AND COM-
18 MUNITY SELF-DETERMINATION ACT OF 2000.—

19 “(1) AVAILABILITY OF FUNDS.—Subject to
20 paragraph (2), but notwithstanding any other provi-
21 sion of this section, \$50,000,000 of OCS Receipts
22 shall be available to the Secretary of the Treasury
23 for each of fiscal years 2007 through 2012 to make
24 payments under sections 102 and 103 of the Secure
25 Rural Schools and Community Self-Determination

1 Act of 2000 (Public Law 106–393; 16 U.S.C. 500
2 note). The Secretary of the Treasury shall use the
3 funds made available by this subsection to make
4 such payments in lieu of using funds in the Treas-
5 ury not otherwise appropriated, as otherwise author-
6 ized by sections 102(b)(3) and 103(b)(2) of such
7 Act.

8 “(2) CONDITION ON AVAILABILITY.—OCS Re-
9 ceipts shall be available under paragraph (1) for a
10 fiscal year only if—

11 “(A) title I of the Secure Rural Schools
12 and Community Self-Determination Act of
13 2000 has been reauthorized through at least
14 that fiscal year; and

15 “(B) the authority to initiate projects
16 under titles II and III of such Act has been ex-
17 tended through at least that fiscal year.”.

18 **SEC. 29. SENSE OF THE CONGRESS TO BUY AND BUILD**
19 **AMERICAN.**

20 (a) BUY AND BUILD AMERICAN.—It is the intention
21 of the Congress that this Act, among other things, result
22 in a healthy and growing American industrial, manufac-
23 turing, transportation, and service sector employing the
24 vast talents of America’s workforce to assist in the devel-
25 opment of affordable energy from the Outer Continental

1 Shelf. Moreover, the Congress intends to monitor the de-
2 ployment of personnel and material in the Outer Conti-
3 nental Shelf to encourage the development of American
4 technology and manufacturing to enable United States
5 workers to benefit from this Act by good jobs and careers,
6 as well as the establishment of important industrial facili-
7 ties to support expanded access to American resources.

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

1 **SEC. 30. AVAILABILITY OF OCS RECEIPTS TO PROVIDE**
2 **FUNDS FOR TRANSPORTATION INFRASTRUC-**
3 **TURE OF THE NATION'S CAPITAL.**

4 Section 9 of the Outer Continental Shelf Lands Act
5 (43. U.S.C. 1338) is further amended by adding at the
6 end the following new subsection:

7 “(k) AVAILABILITY OF FUNDS FOR IMPROVEMENTS
8 TO THE TRANSPORTATION INFRASTRUCTURE OF THE NA-
9 TION’S CAPITAL.—Notwithstanding any other provision of
10 this section, \$150,000,000 of OCS Receipts shall be avail-
11 able to the Secretary of the Treasury for each of fiscal
12 years 2007 through 2016 to make payments, subject to
13 appropriations, to the Washington Metropolitan Area
14 Transit Authority (as defined in the National Capital
15 Transportation Act of 1969) (sec. 9—1111.01 et seq.,
16 D.C. Official Code) to finance in part the capital and pre-
17 ventive maintenance projects included in the Capital Im-
18 provement Program approved by the Board of Directors
19 of the Washington Metropolitan Area Transit Authority.

Passed the House of Representatives June 29, 2006.

Attest:

KAREN L. HAAS,

Clerk.

Calendar No. 588

109TH CONGRESS
2^D SESSION

H. R. 4761

AN ACT

To provide for exploration, development, and production activities for mineral resources on the outer Continental Shelf, and for other purposes.

SEPTEMBER 5, 2006

Read the second time and placed on the calendar