



**Legislative Bulletin.....June 26, 2013**

**Contents:**

**H.R. 1613 - Outer Continental Shelf Transboundary Hydrocarbon Agreements Authorization Act**

---

---

**H.R. 1613 - Outer Continental Shelf Transboundary Hydrocarbon Agreements Authorization Act (Duncan, R-SC)**

**Order of Business:** The legislation is scheduled to begin consideration of H.R. 1613 on June 26, 2013, under a rule.

**Summary:** H.R. 1613 grants the Secretary of Interior the ability to implement the terms of a transboundary hydrocarbon agreement for the management of transboundary hydrocarbon reservoirs.

This transboundary hydrocarbon agreement does not constitute a treaty. Within 180 days after the all parties have agreed to the transboundary hydrocarbon agreement, the President shall submit copies to Congress. The submission is required to include an economic impact analysis, as well as a description of any regulations expected to be issued by the Secretary.

The legislation also allows the Secretary to specifically implement the agreement between U.S. and the United Mexican States concerning transboundary hydrocarbon reservoirs in the Gulf of Mexico. The Secretary is allowed to take actions that may be necessary to approve unitization agreements for the exploration, development, or production of oil and natural gas from transboundary reservoirs or geological structures. The Secretary may also make available information relating to the exploration, development, and production of oil and natural gas from a transboundary reservoir or geological structure that may be considered confidential, privileged, or proprietary information under law.

The bill exempts actions taken by public companies in accordance with the agreement from being considered as “commercial development” for the purposes of section 13(q) of the Securities Exchange Act of 1934 (157 U.S.C. 78m(q)). The section being waived was enacted via the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**Additional Information:** The following information is found in Committee Report 113-101:

In 1978, the United States established maritime boundaries with Mexico extending out to the 200-nautical-mile limit of our nation's exclusive economic zone. However, this mapping left two enclosed areas, known as the Western Gap and Eastern Gap, both of

which extended beyond the 200-nautical-mile jurisdiction of each country. As a result, on June 9, 2000, the United States and Mexico signed the U.S.-Mexico Maritime Boundary Treaty which established a continental shelf boundary between the U.S. and Mexico in the Western Gap area. This treaty was ratified by the Senate on October 18, 2000, and established a 1.4-nautical-mile moratorium from hydrocarbon development on each side of the boundary in the Western Gap area in recognizing the possibility of transboundary hydrocarbon oil and gas reservoirs. While the moratorium was due to expire in 2010, it has been extended, during which time the U.S. and Mexico have arrived at the aforementioned Agreement, which sets up a legal framework to guide commercial energy development in these areas.

While there has only been an official moratorium in the Western Gap areas described above, lease blocks along other areas of the U.S./Mexico maritime border in the Gulf have not been explored and developed for oil and gas resources due to uncertainty and disputes over the legal treatment of potential transboundary reservoirs. The February 2012 Agreement only covers the U.S./Mexican maritime boundary and the Western Gap.

**Committee Action:** H.R. 1613 was introduced on April 18, 2013, and was referred to the House Natural Resources subcommittee on Energy and Mineral Resources. The subcommittee discharged the legislation. On May 15, 2013, the full committee held a markup and favorably reported the legislation by a [roll call vote of 25-16](#).

The legislation was also referred to the House Foreign Affairs subcommittee on Terrorism, Nonproliferation and Trade, and the Subcommittee on Western Hemisphere. The Committee took no action on the bill.

The legislation was also referred to the House Committee on Financial Services, which took no action.

**Administration Position:** No Statement of Administration Policy is available.

**Cost to Taxpayers:** CBO estimates that enacting H.R. 1613 would increase offsetting receipts from lease sales in the Outer Continental Shelf (OCS) by \$25 million over the 2014-2023 period, thus reducing direct spending by a corresponding amount. CBO's report can be [viewed here](#).

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** The legislation does not contain earmarks, limited tax benefits or limited tariff benefits.

**Constitutional Authority:** Rep. Duncan states "Congress has the power to enact this legislation pursuant to the following: Article IV, Section 3, Clause 2." The statement can be [viewed here](#).

**RSC Staff Contact:** Curtis Rhyne, [Curtis.Rhyne@mail.house.gov](mailto:Curtis.Rhyne@mail.house.gov), (202) 226-8576.