



Legislative Bulletin.....June 26, 2014

Contents:

H. R. 4899 – Lowering Gasoline Prices to Fuel an America That Works Act of 2014

**H. R. 4899 – Lowering Gasoline Prices to Fuel an America That Works Act of 2014
(Rep. Hastings, R-WA)**

Order of Business: The bill is scheduled to be considered on June 26, 2014, under a structured [rule](#) that provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Natural Resources.

Summary: [H. R. 4899](#) seeks to increase U.S. offshore and onshore oil production by revising existing law by streamlining and improving onshore and offshore energy permitting.

Title I of the bill pertains to the beneficial economic impact of offshore energy exploration and extraction by:

- Opening up new offshore areas in the Outer Continental Shelf of the United States for extraction and exploration by requiring the Administration to formulate by 2016 a new five-year lease plan for developing U.S. offshore energy resources
- Requiring that the new plan and subsequent five-year offshore leasing plans, include lease sales in the areas containing the greatest known oil and natural gas reserves. According to the House Committee on Natural Resources, areas with the greatest known reserves are specifically defined as those estimated to contain 2.5 billion barrels of oil or 7.5 trillion cubic feet of natural gas. At least 50 percent of those areas must be made available for leasing in the plan.
- Directing the Administration to hold lease sales off the coast of Virginia, South Carolina, and California.
- Establishing a revenue sharing system of offshore revenues for all coastal states. The legislation would allow states in the Gulf of Mexico to continue to receive 37.5 percent of revenue from new leases under the [Gulf of Mexico Energy Security Act](#) (GOMESA),

extends the 37.5 percent revenue sharing percentage to other coastal states with offshore energy production.

- Reorganizing the minerals management agencies of the Department of the Interior. The legislation abolishes the Minerals Management Service (MMS), responsible for all offshore energy leasing. H. R. 4899 would then create three separate agencies to oversee offshore energy operations:
 - The Bureau of Ocean Energy (BOE) administered under the direction of the Assistant Secretary of Ocean Energy and Safety, which would oversee the planning, leasing, and environmental work associated with offshore energy production.
 - The Ocean Energy Safety Service (OESS), which would oversee permitting, safety, and inspections.
 - The Office of Natural Resources Revenue (ONRR), responsible for all royalty and revenue collection.

- Establishing a new Under Secretary of Energy, Land and Minerals, a position confirmable by the Senate that would oversee all offshore and onshore energy operations. The legislation would also establish: a National Offshore Energy Health and Safety Academy which would be responsible for the initial and continued training of both newly hired and experienced offshore oil and gas inspectors; and an Outer Continental Shelf Energy Safety Advisory Board to provide the Department of Interior with independent scientific and technical advice on safe, responsible, and timely mineral and renewable energy exploration, development, and production activities.

Title II of H. R. 4899 pertains to onshore Federal lands and overall energy security. In particular, this section would:

- Expand onshore energy production by requiring the Secretary of the Interior to conduct new lease sales in areas identified with the greatest energy potential, prohibit the Secretary of the Interior from taking away leases already sold or from modifying the rules after the leases or contracts have been finalized.

- Ensure the timely approval of permits by mandating that the Secretary of the Interior shall decide whether to issue a permit to drill within 30 days after receiving an application for the permit.

- Direct the Secretary of the Interior to issue additional oil shale Research, Development & Demonstration (RD&D) leases, and to issue at least five separate commercial lease sales by January 1, 2016.

- Mandate that the Secretary of the Interior develop a Quadrennial Federal Onshore Energy Production Strategy every four years.

- Amend the [Naval Petroleum Reserves Production Act of 1976](#) by mandating that the Secretary of the Interior shall conduct an expeditious program of competitive leasing of oil and gas in the National Petroleum Reserve –Alaska.
- Require the Secretary of the Interior to facilitate and ensure permits, in a timely and environmentally responsible manner, for all surface development activities in the National Petroleum Reserve –Alaska area. The legislation would also set timelines for infrastructure permits within 60 days after the enactment of the Act.
- Mandate that the Secretary of the Interior submit to Congress a plan for approved rights-of-way for a pipeline plan, road, and any other surface infrastructure that may be necessary infrastructure, and that would ensure that all leasable tracts in the Reserve are within 25 miles of an approved road and pipeline.
- Allow the Secretary of the Interior the authority to conduct Internet-based auctions for onshore leases.

A section-by-section guide to H. R. 4899 can be found [here](#).

Additional Information: The House Committee on Natural Resources fact sheet on gasoline and energy impacts on the U.S. economy can be found [here](#). Similar provisions in the bill, in particular in Title I, were included in [H. R. 2231](#). The Congressional Budget Office’s cost estimate for that bill can be found [here](#).

Committee Action: H. R. 4899 was introduced on June 19, 2014 and was referred to the House Committee on Natural Resources and House Committee on the Judiciary.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: The Congressional Budget Office estimates that enacting H. R. 4899 would reduce net direct spending by \$1.36 billion over the 2015-2024 period. The Congressional Budget Office’s cost estimate can be found [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.

Constitutional Authority: Congress has the power to enact this legislation pursuant to the following: Article IV, Section 3, Clause 2.

RSC Staff Contact: Nicholas Rodman, Nicholas.Rodman@mail.house.gov, (202) 226-8576
Andrew Cavazos, Andrew.Cavazos@mail.house.gov, (202) 226-4804

NOTE: RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.

AMENDMENTS MADE IN ORDER

1. [Wittman \(R-VA\), Duncan \(R-SC\)](#). This amendment grants the Secretary of the Interior the ability to add a lease sale area to a finalized 5 year plan, as long as all of the National Environmental Policy Act requirements have been met on that specific area within the last 5 years.
2. [Lowenthal \(D-CA\), Capps \(D-CA\), Farr \(D-CA\), Holt \(D-NJ\), Honda \(D-CA\), Huffman \(D-CA\), Langevin \(D-RI\), Peters, Scott \(D-CA\), Pingree \(D-ME\), Shea-Porter \(D-NH\) Lee, Barbara \(D-CA\)](#). This amendment would strike section 10410 which prohibits the [Bureau of Ocean Energy Management](#) (BOEM) and the [Bureau of Safety and Environmental Enforcement](#) (BSEE) from coordinating coastal and marine spatial planning under the National Ocean Policy.
3. [Duncan \(R-SC\), Rigell \(R-VA\), Wittman \(R-VA\), Hudson \(R-NC\), Graves, Tom \(R-GA\), Ellmers \(R-NC\)](#). This amendment directs the Bureau of Ocean Energy Management to include Virginia, North Carolina, South Carolina and Georgia into an administrative planning area for offshore leasing purposes.
4. [Wittman \(R-VA\)](#). This amendment promotes science, technology, engineering, and mathematics (STEM) education in the South Atlantic states by allowing colleges, universities and historically black colleges and universities (with a preference to military veteran serving institutions of higher education) to partner with the Bureau of Ocean Energy Management to train the next generation of geological and geophysical scientists to better understand the oil, gas and other hydrocarbon potential of the offshore South Atlantic.
5. [Capps \(D-CA\), Brownley \(D-CA\), Huffman \(D-CA\), Lowenthal \(D-CA\)](#). This amendment requires the Secretary of Interior to notify all relevant state and local regulatory agencies and publish a notice in the Federal Register, within 30 days after receiving any application for a permit that would allow the conduct of any offshore oil and gas well stimulation activities.
6. [Deutch \(D-FL\)](#). This amendment strikes the provision that an action involving a covered energy decision shall take precedence over all other pending matters before the district court.
7. [Blumenauer \(D-OR\)](#). This amendment requires companies holding leases, which allow them to drill on public lands offshore without paying a royalty, to renegotiate those leases prior to bidding on new leases issued pursuant to Title I of this Act. A similar amendment to [H. R. 4480](#) in 2012 failed [168 to 250](#).

8. [**Bishop, Rob \(R-UT\)**](#). This amendment prohibits the Secretary from canceling, deferring or withdrawing any lease previously announced to be auctioned based on public comments received by the Department of Interior after the public comment period has expired.
9. [**Jackson Lee \(D-TX\)**](#). This amendment establishes an Office of Energy Employment and Training to ensure that veterans, women, and underrepresented minorities are fully included in the hiring and training efforts of the Department of the Interior's energy planning, permitting, and regulatory agencies.
10. [**DeFazio \(D-OR\)**](#). This amendment authorizes \$10 million of the revenue generated by the underlying bill for the Commodity Futures Trading Commission to use existing authority to limit speculation in energy markets. A similar amendment to [H. R. 1965](#) last year failed by a [vote](#) of 195 to 226.