..... (Original Signature of Member)

112TH CONGRESS 1ST SESSION



To establish in the Department of the Interior an Under Secretary for Energy, Lands, and Minerals and a Bureau of Ocean Energy, an Ocean Energy Safety Service, and an Office of Natural Resources Revenue, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. HASTINGS of Washington introduced the following bill; which was referred to the Committee on ______

A BILL

- To establish in the Department of the Interior an Under Secretary for Energy, Lands, and Minerals and a Bureau of Ocean Energy, an Ocean Energy Safety Service, and an Office of Natural Resources Revenue, 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,

1	SECTION 1. ESTABLISHMENT OF UNDER SECRETARY FOR
2	ENERGY, LANDS, AND MINERALS AND ASSIST-
3	ANT SECRETARY OF OCEAN ENERGY AND
4	SAFETY.
5	There shall be in the Department of the Interior—
6	(1) an Under Secretary for Energy, Lands, and
7	Minerals, who shall—
8	(A) be appointed by the President, by and
9	with the advise and consent of the Senate;
10	(B) report to the Secretary of the Interior;
11	(C) be paid at the rate payable for level III
12	of the Executive Schedule; and
13	(D) be responsible for—
14	(i) the safe and responsible develop-
15	ment of our energy and mineral resources
16	on Federal lands in appropriate accordance
17	with United States energy demands; and
18	(ii) ensuring multiple-use missions of
19	the Department of the Interior that pro-
20	mote the safe and sustained development
21	of energy and minerals resources on public
22	lands (as that term is defined in the Fed-
23	eral Land Policy and Management Act of
24	1976 (43 U.S.C. 1701 et seq.));
25	(2) an Assistant Secretary of Ocean Energy
26	and Safety, who shall—

1	(A) be appointed by the President, by and
2	with the advise and consent of the Senate;
3	(B) report to the Under Secretary for En-
4	ergy, Lands, and Minerals;
5	(C) be paid at the rate payable for level IV
6	of the Executive Schedule; and
7	(D) be responsible for ensuring safe and
8	efficient development of energy and minerals on
9	the Outer Continental Shelf of the United
10	States; and
11	(3) an Assistant Secretary of Land and Min-
12	erals Management, who shall—
13	(A) be appointed by the President, by and
14	with the advise and consent of the Senate;
15	(B) report to the Under Secretary for En-
16	ergy, Lands, and Minerals;
17	(C) be paid at the rate payable for level IV
18	of the Executive Schedule; and
19	(D) be responsible for ensuring safe and
20	efficient development of energy and minerals on
21	public lands and other Federal onshore lands
22	under the jurisdiction of the Department of the
23	Interior, including implementation of the Min-
24	eral Leasing Act (30 U.S.C. 181 et seq.) and
25	the Surface Mining Control and Reclamation

1	Act (30 U.S.C. 1201 et seq.) and administra-
2	tion of the Office of Surface Mining.
3	SEC. 2. BUREAU OF OCEAN ENERGY.
4	(a) ESTABLISHMENT.—There is established in the
5	Department of the Interior a Bureau of Ocean Energy (re-
6	ferred to in this section as the "Bureau"), which shall—
7	(1) be headed by a Director of Ocean Energy
8	(referred to in this section as the "Director"); and
9	(2) be administered under the direction of the
10	Assistant Secretary of Ocean Energy and Safety.
11	(b) DIRECTOR.—
12	(1) APPOINTMENT.—The Director shall be ap-
13	pointed by the Secretary of the Interior.
14	(2) Compensation.—The Director shall be
15	compensated at the rate provided for Level V of the
16	Executive Schedule under section 5316 of title 5,
17	United States Code.
18	(c) DUTIES.—
19	(1) IN GENERAL.—The Secretary of the Inte-
20	rior shall carry out through the Bureau all func-
21	tions, powers, and duties vested in the Secretary re-
22	lating to the administration of a comprehensive pro-
23	gram of offshore mineral and renewable energy re-
24	sources management.

1	(2) Specific authorities.—The Director
2	shall promulgate and implement regulations—
3	(A) for the proper issuance of leases for
4	the exploration, development, and production of
5	nonrenewable and renewable energy and min-
6	eral resources on the Outer Continental Shelf;
7	(B) relating to resource identification, ac-
8	cess, evaluation, and utilization;
9	(C) for development of leasing plans, lease
10	sales, and issuance of leases for such resources;
11	and
12	(D) regarding issuance of environmental
13	impact statements related to leasing and post
14	leasing activities including exploration, develop-
15	ment, and production, and the use of third
16	party contracting for necessary environmental
17	analysis for the development of such resources.
18	(3) LIMITATION.—The Secretary shall not carry
19	out through the Bureau any function, power, or duty
20	that is—
21	(A) required by section 3 to be carried out
22	through the Ocean Energy Safety Service; or
23	(B) required by section 4 to be carried out
24	through the Office of Natural Resources Rev-
25	enue.

1 (d) RESPONSIBILITIES OF LAND MANAGEMENT 2 AGENCIES.—Nothing in this section shall affect the authorities of the Bureau of Land Management under the 3 4 Federal Land Policy and Management Act of 1976 (43) U.S.C. 1701 et seq.) or of the Forest Service under the 5 National Forest Management Act of 1976 (Public Law 6 7 94-588).

8 SEC. 3. OCEAN ENERGY SAFETY SERVICE.

9 (a) ESTABLISHMENT.—There is established in the 10 Department of the Interior an Ocean Energy Safety Serv-11 ice (referred to in this section as the "Service"), which 12 shall—

(1) be headed by a Director of Energy Safety
(referred to in this section as the "Director"); and.
(2) be administered under the direction of the
Assistant Secretary of Ocean Energy and Safety.
(b) DIRECTOR.—

18 (1) APPOINTMENT.—The Director shall be appointed by the Secretary of the Interior.

20 (2) COMPENSATION.—The Director shall be
21 compensated at the rate provided for Level V of the
22 Executive Schedule under section 5316 of title 5,
23 United States Code.

24 (c) DUTIES.—

1 (1) IN GENERAL.—The Secretary of the Inte-2 rior shall carry out through the Service all functions, 3 powers, and duties vested in the Secretary relating 4 to the administration of safety and environmental 5 enforcement activities related to offshore mineral 6 and renewable energy resources on the Outer Conti-7 nental Shelf pursuant to the Outer Continental Shelf 8 Lands Act (43 U.S.C. 1331 et seq.) including the 9 authority to develop, promulgate, and enforce regu-10 lations to ensure the safe and sound exploration, de-11 velopment, and production of mineral and renewable 12 energy resources on the Outer Continental Shelf in 13 a timely fashion.

14 (2) SPECIFIC AUTHORITIES.—The Director
15 shall be responsible for all safety activities related to
16 exploration and development of renewable and min17 eral resources on the Outer Continental Shelf, in18 cluding—

19 (A) exploration, development, production,20 and ongoing inspections of infrastructure;

(B) the suspending or prohibiting, on a
temporary basis, any operation or activity, including production under leases held on the
Outer Continental Shelf, in accordance with

1	section $5(a)(1)$ of the Outer Continental Shelf
2	Lands Act (43 U.S.C. 1334(a)(1));
3	(C) cancelling any lease, permit, or right-
4	of-way on the Outer Continental Shelf, in ac-
5	cordance with section $5(a)(2)$ of the Outer Con-
6	tinental Shelf Lands Act (43 U.S.C.
7	1334(a)(2));
8	(D) compelling compliance with applicable
9	Federal laws and regulations relating to worker
10	safety and other matters;
11	(E) requiring comprehensive safety and en-
12	vironmental management programs for persons
13	engaged in activities connected with the explo-
14	ration, development, and production of mineral
15	or renewable energy resources;
16	(F) developing and implementing regula-
17	tions for Federal employees to carry out any in-
18	spection or investigation to ascertain compli-
19	ance with applicable regulations, including
20	health, safety, or environmental regulations;
21	(G) implementing the Offshore Technology
22	Research and Risk Assessment Program under
23	section 21 of the Outer Continental Shelf
24	Lands Act (43 U.S.C. 1347);

1	(H) summoning witnesses and directing
2	the production of evidence;
3	(I) levying fines and penalties and disquali-
4	fying operators;
5	(J) carrying out any safety, response, and
6	removal preparedness functions; and
7	(K) the processing of permits, exploration
8	plans, development plans; and
9	(d) Employees.—
10	(1) IN GENERAL.—The Secretary shall ensure
11	that the inspection force of the Bureau consists of
12	qualified, trained employees who meet qualification
13	requirements and adhere to the highest professional
14	and ethical standards.
15	(2) QUALIFICATIONS.—The qualification re-
16	quirements referred to in paragraph (1)—
17	(A) shall be determined by the Secretary,
18	subject to subparagraph (B); and
19	(B) shall include—
20	(i) three years of practical experience
21	in oil and gas exploration, development, or
22	production; or
23	(ii) a degree in an appropriate field of
24	engineering from an accredited institution
25	of higher learning.

1	(3) ASSIGNMENT.—In assigning oil and gas in-
2	spectors to the inspection and investigation of indi-
3	vidual operations, the Secretary shall give due con-
4	sideration to the extent possible to their previous ex-
5	perience in the particular type of oil and gas oper-
6	ation in which such inspections are to be made.
7	(4) Background Checks.—The Director shall
8	require that an individual to be hired as an inspec-
9	tion officer undergo an employment investigation
10	(including a criminal history record check).
11	(5) LANGUAGE REQUIREMENTS.—Individuals
12	hired as inspectors must be able to read, speak, and
13	write English well enough to—
14	(A) carry out written and oral instructions
15	regarding the proper performance of inspection
16	duties; and
17	(B) write inspection reports and state-
18	ments and log entries in the English language.
19	(6) VETERANS PREFERENCE.—The Director
20	shall provide a preference for the hiring of an indi-
21	vidual as a inspection officer if the individual is a
22	member or former member of the armed forces and
23	is entitled, under statute, to retired, retirement, or
24	retainer pay on account of service as a member of
25	the armed forces.

1	(7) ANNUAL PROFICIENCY REVIEW.—
2	(A) ANNUAL PROFICIENCY REVIEW.—The
3	Director shall provide that an annual evaluation
4	of each individual assigned inspection duties is
5	conducted and documented.
6	(B) CONTINUATION OF EMPLOYMENT.—An
7	individual employed as an inspector may not
8	continue to be employed in that capacity unless
9	the evaluation demonstrates that the indi-
10	vidual—
11	(i) continues to meet all qualifications
12	and standards;
13	(ii) has a satisfactory record of per-
14	formance and attention to duty based on
15	the standards and requirements in the in-
16	spection program; and
17	(iii) demonstrates the current knowl-
18	edge and skills necessary to courteously,
19	vigilantly, and effectively perform Inspec-
20	tion functions.
21	(8) LIMITATION ON RIGHT TO STRIKE.—Any
22	individual that conducts permitting or inspections
23	under this section may not participate in a strike, or
24	assert the right to strike.

1	(9) PERSONNEL AUTHORITY.—Notwithstanding
2	any other provision of law, the Director may employ,
3	appoint, discipline and terminate for cause, and fix
4	the compensation, terms, and conditions of employ-
5	ment of Federal service for individuals as the em-
6	ployees of the Service in order to restore and main-
7	tain the trust of the people of the United States in
8	the accountability of the management of our Na-
9	tion's energy safety program.
10	(10) TRAINING ACADEMY.—
11	(A) IN GENERAL.—The Secretary shall es-
12	tablish and maintain a National Offshore En-
13	ergy Health and Safety Academy (referred to in
14	this paragraph as the "Academy") as an agency
15	of the Ocean Energy Safety Service.
16	(B) FUNCTIONS OF ACADEMY.—The Sec-
17	retary, through the Academy, shall be respon-
18	sible for—
19	(i) the initial and continued training
20	of both newly hired and experienced off-
21	shore oil and gas inspectors in all aspects
22	of health, safety, environmental, and oper-
23	ational inspections;
24	(ii) the training of technical support
25	personnel of the Bureau;

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1	(iii) any other training programs for
2	offshore oil and gas inspectors, Bureau
3	personnel, Department personnel, or other
4	persons as the Secretary shall designate;
5	and
6	(iv) certification of the successful
7	completion of training programs for newly
8	hired and experienced offshore oil and gas
9	inspectors.
10	(C) COOPERATIVE AGREEMENTS.—
11	(i) IN GENERAL.—In performing func-
12	tions under this paragraph, and subject to
13	clause (ii), the Secretary may enter into
14	cooperative educational and training agree-
15	ments with educational institutions, related
16	Federal academies, other Federal agencies,
17	State governments, safety training firms,
18	and oil and gas operators and related in-
19	dustries.
20	(ii) TRAINING REQUIREMENT.—Such
21	training shall be conducted by the Acad-
22	emy in accordance with curriculum needs
23	and assignment of instructional personnel
24	established by the Secretary.

1	(11) Use of department personnel.—In
2	performing functions under this subsection, the Sec-
3	retary shall use, to the extent practicable, the facili-
4	ties and personnel of the Department of the Interior.
5	The Secretary may appoint or assign to the Acad-
6	emy such officers and employees as the Secretary
7	considers necessary for the performance of the du-
8	ties and functions of the Academy.
9	(12) Additional training programs.—
10	(A) IN GENERAL.—The Secretary shall
11	work with appropriate educational institutions,
12	operators, and representatives of oil and gas
13	workers to develop and maintain adequate pro-
14	grams with educational institutions and oil and
15	gas operators that are designed—
16	(i) to enable persons to qualify for po-
17	sitions in the administration of this Act;
18	and
19	(ii) to provide for the continuing edu-
20	cation of inspectors or other appropriate
21	Department of the Interior personnel.
22	(B) FINANCIAL AND TECHNICAL ASSIST-
23	ANCE.—The Secretary may provide financial
24	and technical assistance to educational institu-
25	tions in carrying out this paragraph.

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1 (e) LIMITATION.—The Secretary shall not carry out 2 through the Service any function, power, or duty that is— 3 (1) required by section 2 to be carried out 4 through Bureau of Ocean Energy; or 5 (2) required by section 4 to be carried out 6 through the Office of Natural Resources Revenue. 7 SEC. 4. OFFICE OF NATURAL RESOURCES REVENUE. 8 (a) ESTABLISHMENT.—There is established in the 9 Department of the Interior an Office of Natural Resources Revenue (referred to in this section as the "Office") to 10 be headed by a Director of Natural Resources Revenue 11 12 (referred to in this section as the "Director"). 13 (b) Appointment and Compensation.— 14 (1) IN GENERAL.—The Director shall be ap-15 pointed by the Secretary of the Interior. 16 (2) COMPENSATION.—The Director shall be 17 compensated at the rate provided for Level V of the 18 Executive Schedule under section 5316 of title 5, 19 United States Code. 20 (c) DUTIES.— 21 (1) IN GENERAL.—The Secretary of the Inte-22 rior shall carry out, through the Office, all functions, 23 powers, and duties vested in the Secretary and relat-24 ing to the administration of offshore royalty and rev-25 enue management functions.

10
(2) Specific Authorities.—The Secretary
shall carry out, through the Office, all functions,
powers, and duties previously assigned to the Min-
erals Management Service (including the authority
to develop, promulgate, and enforce regulations) re-
garding offshore royalty and revenue collection; roy-
alty and revenue distribution; auditing and compli-
ance; investigation and enforcement of royalty and
revenue regulations; and asset management for on-
shore and offshore activities.
(d) LIMITATION.—The Secretary shall not carry out
through the Office any function, power, or duty that is—
(1) required by section 2 to be carried out
through Bureau of Ocean Energy; or
(2) required by section 3 to be carried out
through the Ocean Energy Safety Service.
SEC. 5. ETHICS AND DRUG TESTING.
(a) CERTIFICATION.—The Secretary of the Interior
shall certify annually that all Department of the Interior
officers and employees having regular, direct contact with
lessees, contractors, concessionaires, and other businesses
interested before the Government as a function of their
official duties, or conducting investigations, issuing per-

24 mits, or responsible for oversight of energy programs, are25 in full compliance with all Federal employee ethics laws

and regulations under the Ethics in Government Act of
 1978 (5 U.S.C. App.) and part 2635 of title 5, Code of
 Federal Regulations, and all guidance issued under sub section (c).

5 (b) DRUG TESTING.—The Secretary shall conduct a
6 random drug testing program of all Department of the
7 Interior personnel referred to in subsection (a).

8 (c) GUIDANCE.—Not later than 90 days after the 9 date of enactment of this Act, the Secretary shall issue 10 supplementary ethics and drug testing guidance for the 11 employees for which certification is required under sub-12 section (a). The Secretary shall update the supplementary 13 ethics guidance not less than once every 3 years there-14 after.

15 SEC. 6. ABOLISHMENT OF MINERALS MANAGEMENT SERV16 ICE.

17 (a) ABOLISHMENT.—The Minerals Management18 Service is abolished.

19 (b) Completed Administrative Actions.—

20 (1) IN GENERAL.—Completed administrative
21 actions of the Minerals Management Service shall
22 not be affected by the enactment of this Act, but
23 shall continue in effect according to their terms until
24 amended, modified, superseded, terminated, set
25 aside, or revoked in accordance with law by an offi-

- cer of the United States or a court of competent ju risdiction, or by operation of law.
- 3 (2) Completed administrative action de-4 FINED.—For purposes of paragraph (1), the term 5 "completed administrative action" includes orders, 6 determinations. memoranda of understanding. 7 memoranda of agreements, rules, regulations, per-8 sonnel actions, permits, agreements, grants, con-9 tracts, certificates, licenses, registrations, and privi-10 leges.

(c) PENDING PROCEEDINGS.—Subject to the authority of the Secretary of the Interior and the officers of the
Department of the Interior under this Act—

14 (1) pending proceedings in the Minerals Man-15 agement Service, including notices of proposed rule-16 making, and applications for licenses, permits, cer-17 tificates, grants, and financial assistance, shall con-18 tinue, notwithstanding the enactment of this Act or 19 the vesting of functions of the Service in another 20 agency, unless discontinued or modified under the 21 same terms and conditions and to the same extent 22 that such discontinuance or modification could have 23 occurred if this Act had not been enacted; and

(2) orders issued in such proceedings, and ap-peals therefrom, and payments made pursuant to

such orders, shall issue in the same manner and on
the same terms as if this Act had not been enacted,
and any such orders shall continue in effect until
amended, modified, superseded, terminated, set
aside, or revoked by an officer of the United States
or a court of competent jurisdiction, or by operation
of law.

8 (d) PENDING CIVIL ACTIONS.—Subject to the au-9 thority of the Secretary of the Interior or any officer of 10 the Department of the Interior under this Act, pending civil actions shall continue notwithstanding the enactment 11 12 of this Act, and in such civil actions, proceedings shall be had, appeals taken, and judgments rendered and enforced 13 in the same manner and with the same effect as if such 14 15 enactment had not occurred.

16 (e) REFERENCES.—References relating to the Min-17 erals Management Service in statutes, Executive orders, rules, regulations, directives, or delegations of authority 18 19 that precede the effective date of this Act are deemed to 20 refer, as appropriate, to the Department, to its officers, 21 employees, or agents, or to its corresponding organiza-22 tional units or functions. Statutory reporting requirements 23 that applied in relation to the Minerals Management Serv-24 ice immediately before the effective date of this Act shall continue to apply. 25

1 SEC. 7. CONFORMING AMENDMENTS TO EXECUTIVE2SCHEDULE PAY RATES.

3 (a) UNDER SECRETARY FOR ENERGY, LANDS, AND
4 MINERALS.—Section 5314 of title 5, United States Code,
5 is amended by inserting after the item relating to "Under
6 Secretaries of the Treasury (3)" the following:

7 "Under Secretary for Energy, Lands, and Min-8 erals, Department of the Interior.".

9 (b) ASSISTANT SECRETARIES.—Section 5315 of title
10 5, United States Code, is amended by striking "Assistant
11 Secretaries, Department of the Interior (6)" and inserting
12 the following:

13 "Assistant Secretaries, Department of the Inte-14 rior (7).".

(c) DIRECTORS.—Section 5316 of title 5, United
States Code, is amended by striking "Director, Bureau of
Mines, Department of the Interior." and inserting the following new items:

19 "Director, Bureau of Ocean Energy, Depart-20 ment of the Interior.

21 "Director, Ocean Energy Safety Service, De-22 partment of the Interior.

23 "Director, Office of Natural Resources Rev24 enue, Department of the Interior.".

SEC. 8. OUTER CONTINENTAL SHELF ENERGY SAFETY AD VISORY BOARD.

21

3 (a) ESTABLISHMENT.—The Secretary of the Interior
4 shall establish, under the Federal Advisory Committee
5 Act, an Outer Continental Shelf Energy Safety Advisory
6 Board (referred to in this section as the "Board")—

7 (1) to provide the Secretary and the Directors
8 established by this Act with independent scientific
9 and technical advice on safe, responsible, and timely
10 mineral and renewable energy exploration, develop11 ment, and production activities; and

(2) to review operations of the National Offshore Energy Health and Safety Academy established under section 3(d), including submitting to
the Secretary recommendations of curriculum to ensure training scientific and technical advancements.
(b) MEMBERSHIP.—

18 (1) SIZE.—The Board shall consist of not more
19 than 11 members, who—

20 (A) shall be appointed by the Secretary
21 based on their expertise in oil and gas drilling,
22 well design, operations, well containment and
23 oil spill response; and

(B) must have significant scientific, engineering, management, and other credentials and
a history of working in the field related to safe

energy exploration, development, and produc tion activities.

3 (2) CONSULTATION AND NOMINATIONS.—The
4 Secretary shall consult with the National Academy
5 of Sciences and the National Academy of Engineer6 ing to identify potential candidates for the Board
7 and shall take nominations from the public.

8 (3) TERM.—The Secretary shall appoint Board 9 members to staggered terms of not more than 4 10 years, and shall not appoint a member for more 11 than 2 consecutive terms.

(4) BALANCE.—In appointing members to the
Board, the Secretary shall ensure a balanced representation of industry and research interests.

15 (c) CHAIR.—The Secretary shall appoint the Chair16 for the Board from among its members.

17 (d) MEETINGS.—The Board shall meet not less than
18 3 times per year and shall host, at least once per year,
19 a public forum to review and assess the overall energy
20 safety performance of Outer Continental Shelf mineral
21 and renewable energy resource activities.

(e) OFFSHORE DRILLING SAFETY ASSESSMENTS
AND RECOMMENDATIONS.—As part of its duties under
this section, the Board shall, by not later than 180 days

after the date of enactment of this section and every 5
 years thereafter, submit to the Secretary a report that—

3 (1) assesses offshore oil and gas well control 4 technologies, practices, voluntary standards, and 5 regulations in the United States and elsewhere; and 6 (2) as appropriate, recommends modifications to the regulations issued under this Act to ensure 7 8 adequate protection of safety and the environment, 9 including recommendations on how to reduce regula-10 tions and administrative actions that are duplicative 11 or unnecessary.

12 (f) REPORTS.—Reports of the Board shall be sub-13 mitted by the Board to the Committee on Natural Re-14 sources of the House or Representatives and the Com-15 mittee on Energy and Natural Resources of the Senate 16 and made available to the public in electronically acces-17 sible form.

(g) TRAVEL EXPENSES.—Members of the Board,
other than full-time employees of the Federal Government,
while attending meeting of the Board or while otherwise
serving at the request of the Secretary or the Director
while serving away from their homes or regular places of
business, may be allowed travel expenses, including per
diem in lieu of subsistence, as authorized by section 5703

- 1 of title 5, United States Code, for individuals in the Gov-
- 2 ernment serving without pay.