

## Summary of H.R. 5577, the *Innovation in Offshore Leasing Act*

Introduced by Reps. Garret Graves (R-LA) and Alan Lowenthal (D-CA). It amends the Outer Continental Shelf Lands Act to provide the Department of the Interior (DOI) Secretary with the authority to conduct internet-based oil and natural gas lease sales.

Currently, leases for the 1.7 billion acres of U.S. Outer Continental Shelf (OCS) lands included in the Five-Year Plan are sold in a sealed-bid format with bids opened and read aloud in the Superdome in New Orleans, LA. This bill paves the way for the Bureau of Ocean Energy Management (BOEM) to conduct these leases online – while also ensuring the public has access to watch these lease sales live over the internet.

- **MODERNIZES THE LEASING PROCESS:** Online leasing brings the DOI's leasing process into the 21<sup>st</sup> Century and marks a significant shift from the in-person bidding process currently held in the Superdome.
- **INCREASES TRANSPARENCY:** The public can watch the bidding in real-time online and all related information will be available online.
- **BRINGS GREATER EFFICIENCY:** Conducting online oil and natural gas sales is both a cost-effective, efficient process to the current manual, in-person lease sale format.

Of the 1.7 billion offshore acres only 22 million or 1.3% are currently under lease – this includes a total of 3,848 active offshore leases. Much of the total acreage including the entire Atlantic coastline are currently barred from exploration. The Obama Administration's restrictive Five-Year Plan will likely barricade even more acres from responsible development.

*REP. GRAVES: "My 6 year old uses the internet – the government should embrace this change. It will save taxpayers money, increase transparency for the public and level the playing field so that businesses access the opportunity in the Gulf. Most importantly, the increased competition for offshore energy will maximize value of this important public resource."*

### **BACKGROUND**

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At a committee [legislative hearing](#) on July 6, 2016, BOEM Deputy Director Walter Cruickshank stated that he supported the "overall intent" of the bill. The bill's innovative framework is already implemented at BOEM as they currently conduct wind energy lease sales online.

It [passed](#) the committee as part of a broader unanimous consent package on July 13, 2016.