



Committee on Natural Resources U.S. House of Representatives

Chairman Doc Hastings

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Chairman Hastings Releases Draft Legislation to Expand Safe, Responsible Production of U.S. Offshore Energy Resources

WASHINGTON, D.C. – House Natural Resources Committee Chairman Doc Hastings (WA-04) today released draft legislation to expand U.S. offshore energy production in order to create new American jobs, lower energy prices, grow our economy, and strengthen national security.

The [Offshore Energy and Jobs Act](#) would remove government barriers that block production of our own domestic energy resources. It would require the Administration to implement a new five-year offshore leasing plan that includes areas containing the greatest oil and natural gas resources, require the Department of the Interior to hold offshore lease sales that were delayed or canceled by the Obama Administration, and extends revenue sharing to all coastal states. The draft legislation would also implement reforms to further enhance the accountability, efficiency, safety and ethical standards of offshore energy operations. Similar provisions were included in legislation introduced last Congress, many of which were passed by the House with broad, bipartisan support.

“For over four years, President Obama has done his very best to block new American offshore energy production. He has canceled lease sales, effectively re-imposed a drilling moratorium, and implemented a short-sighted plan that closes the majority of our offshore areas, including the Atlantic Coast, Pacific Coast, and parts of the Arctic, to new energy production,” said Chairman Hastings. “The Obama Administration has said ‘no’ to new energy and ‘no’ to new jobs, but House Republicans are once again saying ‘yes.’ This legislation is a pro-energy, pro-jobs plan that will strengthen our economy and increase our energy security by responsibly and safely harnessing our vast offshore energy resources.”

The Subcommittee on Energy and Mineral Resources will hold a legislative hearing on this draft bill on Thursday, June 6th.

The Offshore Energy and Jobs Act

Title I – Outer Continental Shelf Leasing Program Reforms

- Opens new offshore areas to energy production by requiring the Obama Administration to submit a new lease plan by 2015 for developing the United States’ offshore energy resources. The Obama Administration’s current [five-year plan](#)

keeps 85 percent of our offshore areas off-limits to energy production.

- Requires 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. 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.

Title II – Directing the President to Conduct New Leasing

- Directs the Administration to hold specific lease sales that include: off the coast of Virginia, which was canceled by the Obama Administration; off the coast of South Carolina; and off the coast of California using existing offshore infrastructure or onshore extended-reach drilling.

Title III – Revenue Sharing

- Establishes fair and equitable revenue sharing of offshore revenues for coastal states. It allows 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) and, after a phase in, extends the 37.5 percent revenue sharing percentage to other coastal states with energy production off their shores.

Title IV - Reorganization of the Interior Department's Offshore Energy Agencies

- Builds on the Interior Department's reorganization of its offshore energy agencies by writing reforms into law.
- Formally abolishes the Minerals Management Service (MMS), the agency formally responsible for all offshore energy leasing, planning, safety and revenue collection, and creates three separate, distinct agencies to handle offshore energy operations:
 - The **Bureau of Ocean Energy** (BOE), responsible for the planning, leasing and environmental work associated with offshore energy production.
 - The **Ocean Energy Safety Service** (OESS), responsible for permitting, safety and inspections.
 - The **Office of Natural Resources Revenue** (ONRR), responsible for all royalty and revenue collection.
- Establishes a new Under Secretary of Energy, Land and Minerals to be appointed by the President and confirmed by the Senate. This position will oversee all offshore and onshore energy operations – ensuring that American energy production is elevated as a top priority within the Department of the Interior.
- Establishes a National Offshore Energy Health and Safety Academy to train the government's inspectors. It also establishes an Outer Continental Shelf Energy Safety Advisory Board, which was recently created by the Interior Department, to offer independent scientific advice on safe, responsible and timely energy production.
- Requires that employees conducting safety inspections have at least three years experience in the oil and natural gas field and a degree in an appropriate field.

- Formally authorizes existing inspection fees and directs the funds to the district offices and inspectors that conduct the offshore inspections.

Title V – U.S. Territories

- Creates new opportunities for future offshore energy production in new areas by including U.S. territories in the Department of the Interior’s resource assessment studies.

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