H.R. 2231, The Offshore Energy and Jobs Act

- The *Offshore Energy and Jobs Act* would expand U.S. offshore energy production in order to create over a million new American jobs, lower energy prices, grow our economy and strengthen national security.

- The bill removes federal government barriers that block production of our own U.S. energy resources.
  - President Obama has effectively re-imposed an offshore drilling moratorium and imposed a lease plan that keeps 85 percent of our offshore areas off-limits to American energy production.

  - A report by the non-partisan Congressional Research Service confirms that the 15 lease sales in President Obama's five-year plan represent the lowest number of lease sales ever offered in a plan since the process began in 1980.

- In stark contrast to President Obama's no-new-drilling, no-new-jobs plan, H.R. 2231 proposes a drill-smart, job-creation plan that would require the Administration to move forward with new offshore energy production in areas containing the most oil and natural gas resources – including the Atlantic Coast and Pacific Coast.

- It also requires the Secretary of the Interior to conduct oil and natural gas lease sales that have been delayed or cancelled by the Obama Administration and implements a fair, equitable revenue sharing program for all coastal states.

- H.R. 2231 also builds on the Interior Department's reorganization of its offshore energy agencies by writing reforms into law and further enhancing the accountability, efficiency, safety and ethical standards of offshore energy operations. These reforms will allow for the robust and safe production of our Nation's offshore energy resources.

- H.R. 2231 would generate $1.5 billion in new revenue over ten years according to the Congressional Budget Office and could create up to 1.2 million jobs long-term.

The *Offshore Energy and Jobs Act*

Title I – Outer Continental Shelf Leasing Program Reforms

- Opens new offshore areas by requiring the Obama Administration to submit a new five-year lease plan by 2015 for developing the United States' offshore energy resources.

- 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 and off the coast of South Carolina. It also directs a lease sale 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.

- 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.