



# Committee on Natural Resources

## U.S. House of Representatives

Chairman Doc Hastings

### H.R. 4899, Lowering Gasoline Prices to Fuel an America that Works Act *Title-by-Title Summary*

#### Title I: Offshore Energy and Jobs

##### **Subtitle A – Outer Continental Shelf Leasing Program Reforms**

- Opens new offshore areas by requiring the Obama Administration to submit a new five-year lease plan by 2016 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.

##### **Subtitle B – Directing the President to Conduct New OCS Sales**

- 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.

##### **Subtitle C – Equitable Sharing of Outer Continental Shelf Revenues**

- Establishes fair and equitable revenue sharing of offshore revenues for all 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.

##### **Subtitle D - Reorganization of Minerals Management Agencies of the Department of the Interior**

- 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, 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.

#### **Subtitle E – United States 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.

### **Title II: Onshore Federal Lands and Energy Security**

#### **Subtitle A – Federal Lands Jobs and Energy Security**

- Expands onshore energy production by requiring the Interior Secretary to conduct new lease sales in areas identified with the greatest energy potential, prohibits the Interior Secretary from taking away leases already sold, sets firm timelines for the Secretary to issue leases, and prohibits the Secretary from changing the rules after the leases and contracts have been finalized.
- Ensures the timely approval of permits by setting a firm timeline for the Interior Secretary to act on a permit to drill; directs a portion of permit processing fees and rights of way fees to the local office where they were collected in order ensure the permitting agencies have the personnel, expertise, and resources to keep American oil, natural gas, and other forms of domestic energy production on track by processing permits, leases, and protests in a timely manner; and ensures American energy projects are not indefinitely delayed by frivolous lawsuits by setting reasonable time limits for litigation.
- Directs the Secretary of the Interior to issue additional oil shale Research, Development & Demonstration (RD&D) leases under the leasing terms published on January 15, 2009; directs the Secretary of the Interior to issue at least 5 separate commercial lease sales by January 1, 2016; provides regulatory certainty to oil shale producers for commercial development; and provides the Secretary of the Interior the ability to temporarily reduce royalties and fees paid by producers in order to further incentivize and encourage energy development.

## **Subtitle B - Planning for American Energy**

- Establishes common sense steps to create an all-of-the-above American energy plan using our vast federal resources.
- Strengthens our energy security by requiring the Secretary of the Interior to develop a Quadrennial Federal Onshore Energy Production Strategy (a strategic action plan) every four years on how to responsibly develop our federal onshore energy resources in order to meet the United States' energy demands and promote the energy security of our Nation.

## **Subtitle C - The National Petroleum Reserve in Alaska Access**

- Ensures that oil and natural gas resources in the National Petroleum Reserve -Alaska (NPR-A) are developed and transported in a timely, efficient manner and clearly states and affirms that the NPR-A is explicitly designated for the purpose of providing oil and natural gas resources to the United States.
- Nullifies the plan released by the Obama Administration in February 2013 and requires the Interior Department to issue a new integrated activity plan.
- Requires that annual lease sales be held in the NPR-A in areas with the most oil and natural gas resources.
- Streamlines the permitting process to ensure lease sales actually lead to energy being produced and transported out of the NPR-A and delivered to the continental U.S.
- Sets firm timelines for infrastructure permits to be approved to ensure that bureaucratic delays do not prevent oil and natural gas resources from being transported out of the NPR-A.
- Requires the Secretary of the Interior to prepare a right-of-way plan detailing how existing and future leases will be within 25 miles of an approved road or pipeline.

## **Subtitle D - BLM Live Internet Auctions**

- Modernizes and updates the bidding process for federal onshore oil and natural gas leases, bringing the process into the 21<sup>st</sup> century and saving taxpayer dollars. It gives the Secretary of the Interior the authority to conduct Internet-based auctions for onshore leases to ensure the best return to the Federal taxpayer, reduce fraud, and secure the leasing process.