

110TH CONGRESS
2D SESSION

S. 3669

To reduce gas prices by promoting domestic energy production, alternative energy, and conservation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 1 (legislative day, SEPTEMBER 17), 2008

Mr. VOINOVICH introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To reduce gas prices by promoting domestic energy production, alternative energy, and conservation, 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,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Harmonizing America’s Energy, Economy, Environment,
6 and National Security Act of 2008”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—DOMESTIC ENERGY PRODUCTION

Subtitle A—Outer Continental Shelf

- Sec. 101. Termination of prohibitions on expenditures for, and withdrawals from, offshore and onshore leasing and other limitations on energy production.
- Sec. 102. Coordination with Secretary of Defense on leasing.
- Sec. 103. Sharing of revenues.

Subtitle B—Leasing Program for Land Within Coastal Plain

- Sec. 111. Definitions.
- Sec. 112. Leasing program for land within the Coastal Plain.
- Sec. 113. Lease sales.
- Sec. 114. Grant of leases by the Secretary.
- Sec. 115. Lease terms and conditions.
- Sec. 116. Coastal plain environmental protection.
- Sec. 117. Rights-of-way and easements across coastal plain.
- Sec. 118. Conveyance.
- Sec. 119. Local government impact aid and community service assistance.
- Sec. 120. Allocation of revenues.

Subtitle C—Oil Shale

- Sec. 131. Removal of prohibition on final regulations for commercial leasing program for oil shale resources on public land.

TITLE II—ALTERNATIVE ENERGY AND CONSERVATION

Subtitle A—Conservation Reserve and Renewable Energy Reserve Accounts

- Sec. 201. Conservation Reserve and Renewable Energy Reserve Accounts.

Subtitle B—Department of Defense Facilitation of Secure Domestic Fuel Development

- Sec. 211. Procurement and acquisition of alternative fuels.

1 **TITLE I—DOMESTIC ENERGY**
 2 **PRODUCTION**

3 **Subtitle A—Outer Continental**
 4 **Shelf**

5 **SEC. 101. TERMINATION OF PROHIBITIONS ON EXPENDI-**
 6 **TURES FOR, AND WITHDRAWALS FROM, OFF-**
 7 **SHORE AND ONSHORE LEASING AND OTHER**
 8 **LIMITATIONS ON ENERGY PRODUCTION.**

9 (a) PROHIBITIONS ON EXPENDITURES.—Notwith-
 10 standing any other provision of law, all provisions of Fed-

1 eral law that prohibit the expenditure of appropriated
2 funds to conduct natural gas, oil, oil shale, and other en-
3 ergy production leasing, preleasing, and related activities
4 on Federal land shall have no force or effect with respect
5 to the activities.

6 (b) REVOCATION WITHDRAWALS.—Notwithstanding
7 any other provision of law, all withdrawals of Federal sub-
8 merged land of the outer Continental Shelf from leasing
9 (including withdrawals by the President under section
10 12(a) of the Outer Continental Shelf Lands Act (43
11 U.S.C. 1341(a)), are revoked and are no longer in force
12 or effect with respect to the leasing of areas for explo-
13 ration for, and development and production of, natural gas
14 and oil.

15 (c) GULF OF MEXICO OIL AND GAS.—Section 104
16 of the Gulf of Mexico Energy Security Act of 2006 (43
17 U.S.C. 1331 note; Public Law 109–432) is repealed.

18 (d) CONFORMING AMENDMENTS.—

19 (1) Sections 104 and 105 of the Department of
20 the Interior, Environment, and Related Agencies Ap-
21 propriations Act, 2008 (Public Law 110–161; 121
22 Stat. 2118) are repealed.

23 (2) Section 103(a) of the Gulf of Mexico En-
24 ergy Security Act of 2006 (43 U.S.C. 1331 note;
25 Public Law 109–432) is amended by striking “Ex-

1 cept as provided in section 104, the” and inserting
2 “the”.

3 **SEC. 102. COORDINATION WITH SECRETARY OF DEFENSE**
4 **ON LEASING.**

5 The Outer Continental Shelf Lands Act is amended
6 by inserting after section 9 (43 U.S.C. 1338) the fol-
7 lowing:

8 **“SEC. 10. COORDINATION WITH SECRETARY OF DEFENSE**
9 **ON LEASING.**

10 “(a) IN GENERAL.—The Secretary shall consult with
11 the Secretary of Defense regarding military operations
12 needs for the outer Continental Shelf.

13 “(b) CONFLICTS.—

14 “(1) IN GENERAL.—The Secretary shall work
15 with the Secretary of Defense to resolve any conflict
16 that may arise between operations described in sub-
17 section (a) and leasing under this Act.

18 “(2) UNRESOLVED ISSUES.—If the Secretary
19 and the Secretary of Defense are unable to resolve
20 any conflict described in paragraph (1), any unre-
21 solved issue shall be referred by the Secretaries to
22 the President in a timely fashion for immediate reso-
23 lution.”.

1 **SEC. 103. SHARING OF REVENUES.**

2 (a) IN GENERAL.—Section 8(g) of the Outer Conti-
3 nental Shelf Lands Act (43 U.S.C. 1337(g)) is amended—

4 (1) in paragraph (2), by striking “(2) Notwith-
5 standing” and inserting the following:

6 “(2) DISPOSITION OF REVENUES.—Except as
7 provided in paragraph (6) and notwithstanding”;

8 (2) by redesignating paragraphs (6) and (7) as
9 paragraphs (7) and (8), respectively; and

10 (3) by inserting after paragraph (5) the fol-
11 lowing:

12 “(6) BONUS BIDS AND ROYALTIES UNDER
13 QUALIFIED LEASES.—

14 “(A) DEFINITIONS.—In this paragraph:

15 “(i) ADJACENT STATE.—The term
16 ‘adjacent State’ means, with respect to any
17 program, plan, lease sale, leased tract, or
18 other activity proposed, conducted, or ap-
19 proved pursuant to this Act, any State the
20 laws of which are declared, pursuant to
21 section 4(a)(2), to be the law of the United
22 States for the portion of the outer Conti-
23 nental Shelf on which the program, plan,
24 lease sale, leased tract, or activity applies
25 or is, or is proposed to be, conducted.

1 “(ii) ADJACENT ZONE.—The term
2 ‘adjacent zone’ means, with respect to any
3 program, plan, lease sale, leased tract, or
4 other activity proposed, conducted, or ap-
5 proved pursuant to this Act, the portion of
6 the outer Continental Shelf for which the
7 laws of an adjacent State are declared,
8 pursuant to section 4(a)(2), to be the law
9 of the United States.

10 “(iii) PRODUCING STATE.—The term
11 ‘producing State’ means an adjacent State
12 having an adjacent zone containing leased
13 tracts from which are derived bonus bids
14 and royalties under a lease under this Act.

15 “(iv) QUALIFIED LEASE.—The term
16 ‘qualified lease’ means a natural gas or oil
17 lease made available under this Act grant-
18 ed after the date of enactment of the Har-
19 monizing America’s Energy, Economy, En-
20 vironment, and National Security Act of
21 2008, for an area that is available for leas-
22 ing as a result of enactment of section 101
23 of that Act.

24 “(v) STATE.—The term ‘State’ in-
25 cludes—

1 “(I) the Commonwealth of Puer-
2 to Rico; and

3 “(II) any other territory or pos-
4 session of the United States.

5 “(B) NEW LEASES.—Of amounts received
6 by the United States as bonus bids, royalties,
7 rentals, and other sums collected under any
8 qualified lease on submerged land made avail-
9 able for leasing under this Act by the enact-
10 ment of section 101 of the Harmonizing Amer-
11 ica’s Energy, Economy, Environment, and Na-
12 tional Security Act of 2008 that are located
13 within the seaward boundaries of a State estab-
14 lished under section 4(a)(2)(A)—

15 “(i) 27 percent shall be paid to pro-
16 ducing States with respect to that sub-
17 merged land;

18 “(ii) 25 percent shall be deposited in
19 the Conservation Reserve Account estab-
20 lished by section 201(a)(1) of the Harmo-
21 nizing America’s Energy, Economy, Envi-
22 ronment, and National Security Act of
23 2008;

1 “(iii) 25 percent shall be deposited in
2 the Renewable Energy Reserve Account es-
3 tablished by section 201(a)(2) of that Act;

4 “(iv) 20 percent shall be deposited in
5 the general fund of the Treasury of the
6 United States for debt reduction; and

7 “(v) subject to the availability of ap-
8 propriations, 3 percent may be available to
9 the Secretary of Health and Human Serv-
10 ices for carrying out the low-income home
11 energy assistance program established
12 under the Low-Income Home Energy As-
13 sistance Act of 1981 (42 U.S.C. 8621 et
14 seq.).

15 “(C) LEASED TRACT THAT LIES PAR-
16 Tially WITHIN THE SEAWARD BOUNDARIES OF
17 A STATE.—In the case of a leased tract that lies
18 partially within the seaward boundaries of a
19 State, the amount of bonus bids and royalties
20 from the tract that is subject to subparagraph
21 (B) with respect to the State shall be a percent-
22 age of the total amounts of bonus bids and roy-
23 alties from the tract that is equivalent to the
24 total percentage of the surface acreage of the
25 tract that lies within the seaward boundaries.

1 “(D) APPLICATION.—This paragraph ap-
2 plies to bonus bids and royalties received by the
3 United States under qualified leases after Sep-
4 tember 30, 2008.”.

5 (b) ESTABLISHMENT OF STATE SEAWARD BOUND-
6 ARIES.—Section 4(a)(2) of the Outer Continental Shelf
7 Lands Act (43 U.S.C. 1333(a)(2)) is amended—

8 (1) by striking “(2)(A) To” and inserting the
9 following:

10 “(2) LAWS OF ADJACENT STATES; INTER-
11 NATIONAL BOUNDARY DISPUTES.—

12 “(A) LAWS OF ADJACENT STATES.—

13 “(i) IN GENERAL.—To”; and

14 (2) in subparagraph (A)—

15 (A) in the first sentence, by striking “, and
16 the President” and all that follows through the
17 end of the sentence and inserting a period;

18 (B) by inserting after clause (i) (as des-
19 ignated by paragraph (1)) the following:

20 “(ii) EXTENDED LINES.—

21 “(I) IN GENERAL.—Subject to
22 subclauses (II) and (III), the extended
23 lines described in clause (i) shall be
24 considered to be indicated on the

1 maps for each outer Continental Shelf
2 region entitled—

3 “(aa) ‘Alaska OCS Region
4 State Adjacent Zone and OCS
5 Planning Areas’;

6 “(bb) ‘Pacific OCS Region
7 State Adjacent Zones and OCS
8 Planning Areas’;

9 “(cc) ‘Gulf of Mexico OCS
10 Region State Adjacent Zones and
11 OCS Planning Areas’; and

12 “(dd) ‘Atlantic OCS Region
13 State Adjacent Zones and OCS
14 Planning Areas’.

15 “(II) MAPS.—For the purpose of
16 subclause (I), all of the maps de-
17 scribed in subclause (I) are dated
18 September 2005 and on file in the Of-
19 fice of the Director, Minerals Manage-
20 ment Service.

21 “(III) GULF OF MEXICO.—Sub-
22 clause (I) shall not apply with respect
23 to the treatment under section 105 of
24 the Gulf of Mexico Energy Security
25 Act of 2006 (43 U.S.C. 1331 note;

1 Public Law 109–432) of qualified
 2 outer Continental Shelf revenues de-
 3 posited and disbursed under section
 4 105(a)(2) of that Act.”; and

5 (C) by striking “All of such applicable
 6 laws” and inserting the following:

7 “(iii) ADMINISTRATION; ENFORCE-
 8 MENT.—The applicable laws described in
 9 subparagraph (A)”.

10 **Subtitle B—Leasing Program for** 11 **Land Within Coastal Plain**

12 **SEC. 111. DEFINITIONS.**

13 In this subtitle:

14 (1) COASTAL PLAIN.—The term “Coastal
 15 Plain” means that area identified as the “1002
 16 Coastal Plain Area” on the map.

17 (2) FEDERAL AGREEMENT.—The term “Fed-
 18 eral Agreement” means the Federal Agreement and
 19 Grant Right-of-Way for the Trans-Alaska Pipeline
 20 issued on January 23, 1974, in accordance with sec-
 21 tion 28 of the Mineral Leasing Act (30 U.S.C. 185)
 22 and the Trans-Alaska Pipeline Authorization Act
 23 (43 U.S.C. 1651 et seq.).

24 (3) FINAL STATEMENT.—The term “Final
 25 Statement” means the final legislative environmental

1 impact statement on the Coastal Plain, dated April
2 1987, and prepared pursuant to section 1002 of the
3 Alaska National Interest Lands Conservation Act
4 (16 U.S.C. 3142) and section 102(2)(C) of the Na-
5 tional Environmental Policy Act of 1969 (42 U.S.C.
6 4332(2)(C)).

7 (4) MAP.—The term “map” means the map en-
8 titled “Arctic National Wildlife Refuge”, dated Sep-
9 tember 2005, and prepared by the United States Ge-
10 ological Survey.

11 (5) SECRETARY.—The term “Secretary” means
12 the Secretary of the Interior (or the designee of the
13 Secretary), acting through the Director of the Bu-
14 reau of Land Management in consultation with the
15 Director of the United States Fish and Wildlife
16 Service and in coordination with a State coordinator
17 appointed by the Governor of the State of Alaska.

18 **SEC. 112. LEASING PROGRAM FOR LAND WITHIN THE**
19 **COASTAL PLAIN.**

20 (a) IN GENERAL.—

21 (1) AUTHORIZATION.—Congress authorizes the
22 exploration, leasing, development, production, and
23 economically feasible and prudent transportation of
24 oil and gas in and from the Coastal Plain.

1 (2) ACTIONS.—The Secretary shall take such
2 actions as are necessary—

3 (A) to establish and implement, in accord-
4 ance with this subtitle, a competitive oil and
5 gas leasing program that will result in an envi-
6 ronmentally sound program for the exploration,
7 development, and production of the oil and gas
8 resources of the Coastal Plain while taking into
9 consideration the interests and concerns of resi-
10 dents of the Coastal Plain, which is the home-
11 land of the Kaktovikmiut Inupiat; and

12 (B) to administer this subtitle through reg-
13 ulations, lease terms, conditions, restrictions,
14 prohibitions, stipulations, and other provisions
15 that—

16 (i) ensure the oil and gas exploration,
17 development, and production activities on
18 the Coastal Plain will result in no signifi-
19 cant adverse effect on fish and wildlife,
20 their habitat, subsistence resources, and
21 the environment; and

22 (ii) require the application of the best
23 commercially available technology for oil
24 and gas exploration, development, and pro-
25 duction to all exploration, development,

1 and production operations under this sub-
2 title in a manner that ensures the receipt
3 of fair market value by the public for the
4 mineral resources to be leased.

5 (b) REPEAL.—

6 (1) REPEAL.—Section 1003 of the Alaska Na-
7 tional Interest Lands Conservation Act (16 U.S.C.
8 3143) is repealed.

9 (2) CONFORMING AMENDMENT.—The table of
10 contents contained in section 1 of that Act (16
11 U.S.C. 3101 note) is amended by striking the item
12 relating to section 1003.

13 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
14 TAIN OTHER LAWS.—

15 (1) COMPATIBILITY.—For purposes of the Na-
16 tional Wildlife Refuge System Administration Act of
17 1966 (16 U.S.C. 668dd et seq.)—

18 (A) the oil and gas pre-leasing and leasing
19 program, and activities authorized by this sec-
20 tion in the Coastal Plain, shall be considered to
21 be compatible with the purposes for which the
22 Arctic National Wildlife Refuge was established;
23 and

1 (B) no further findings or decisions shall
2 be required to implement that program and
3 those activities.

4 (2) ADEQUACY OF THE DEPARTMENT OF THE
5 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT
6 STATEMENT.—The Final Statement shall be consid-
7 ered to satisfy the requirements under the National
8 Environmental Policy Act of 1969 (42 U.S.C. 4321
9 et seq.) that apply with respect to pre-leasing activi-
10 ties, including exploration programs and actions au-
11 thorized to be taken by the Secretary to develop and
12 promulgate the regulations for the establishment of
13 a leasing program authorized by this subtitle before
14 the conduct of the first lease sale.

15 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
16 TIONS.—

17 (A) IN GENERAL.—Before conducting the
18 first lease sale under this subtitle, the Secretary
19 shall prepare an environmental impact state-
20 ment in accordance with the National Environ-
21 mental Policy Act of 1969 (42 U.S.C. 4321 et
22 seq.) with respect to the actions authorized by
23 this subtitle that are not referred to in para-
24 graph (2).

1 (B) IDENTIFICATION AND ANALYSIS.—
2 Notwithstanding any other provision of law, in
3 carrying out this paragraph, the Secretary shall
4 not be required—

5 (i) to identify nonleasing alternative
6 courses of action; or

7 (ii) to analyze the environmental ef-
8 fects of those courses of action.

9 (C) IDENTIFICATION OF PREFERRED AC-
10 TION.—Not later than 18 months after the date
11 of enactment of this Act, the Secretary shall—

12 (i) identify only a preferred action and
13 a single leasing alternative for the first
14 lease sale authorized under this subtitle;
15 and

16 (ii) analyze the environmental effects
17 and potential mitigation measures for
18 those 2 alternatives.

19 (D) PUBLIC COMMENTS.—In carrying out
20 this paragraph, the Secretary shall consider
21 only public comments that are filed not later
22 than 20 days after the date of publication of a
23 draft environmental impact statement.

24 (E) EFFECT OF COMPLIANCE.—Notwith-
25 standing any other provision of law, compliance

1 with this paragraph shall be considered to sat-
2 isfy all requirements for the analysis and con-
3 sideration of the environmental effects of pro-
4 posed leasing under this subtitle.

5 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
6 ITY.—Nothing in this subtitle expands or limits any State
7 or local regulatory authority.

8 (e) SPECIAL AREAS.—

9 (1) DESIGNATION.—

10 (A) IN GENERAL.—The Secretary, after
11 consultation with the State of Alaska, the
12 North Slope Borough, Alaska, and the City of
13 Kaktovik, Alaska, may designate not more than
14 45,000 acres of the Coastal Plain as a special
15 area if the Secretary determines that the special
16 area would be of such unique character and in-
17 terest as to require special management and
18 regulatory protection.

19 (B) SADLEROCHIT SPRING AREA.—The
20 Secretary shall designate as a special area in
21 accordance with subparagraph (A) the
22 Sadlerochit Spring area, comprising approxi-
23 mately 4,000 acres as depicted on the map.

1 (2) MANAGEMENT.—The Secretary shall man-
2 age each special area designated under this sub-
3 section in a manner that—

4 (A) respects and protects the Native people
5 of the area; and

6 (B) preserves the unique and diverse char-
7 acter of the area, including fish, wildlife, sub-
8 sistence resources, and cultural values of the
9 area.

10 (3) EXCLUSION FROM LEASING OR SURFACE
11 OCCUPANCY.—

12 (A) IN GENERAL.—The Secretary may ex-
13 clude any special area designated under this
14 subsection from leasing.

15 (B) NO SURFACE OCCUPANCY.—If the Sec-
16 retary leases all or a portion of a special area
17 for the purposes of oil and gas exploration, de-
18 velopment, production, and related activities,
19 there shall be no surface occupancy of the land
20 comprising the special area.

21 (4) DIRECTIONAL DRILLING.—Notwithstanding
22 any other provision of this subsection, the Secretary
23 may lease all or a portion of a special area under
24 terms that permit the use of horizontal drilling tech-

1 nology from sites on leases located outside the spe-
2 cial area.

3 (f) LIMITATION ON CLOSED AREAS.—The Secretary
4 may not close land within the Coastal Plain to oil and gas
5 leasing or to exploration, development, or production ex-
6 cept in accordance with this subtitle.

7 (g) REGULATIONS.—

8 (1) IN GENERAL.—Not later than 15 months
9 after the date of enactment of this Act, in consulta-
10 tion with appropriate agencies of the State of Alas-
11 ka, the North Slope Borough, Alaska, and the City
12 of Kaktovik, Alaska, the Secretary shall issue such
13 regulations as are necessary to carry out this sub-
14 title, including rules and regulations relating to pro-
15 tection of the fish and wildlife, fish and wildlife habi-
16 tat, and subsistence resources of the Coastal Plain.

17 (2) REVISION OF REGULATIONS.—The Sec-
18 retary may periodically review and, as appropriate,
19 revise the rules and regulations issued under para-
20 graph (1) to reflect any significant scientific or engi-
21 neering data that come to the attention of the Sec-
22 retary.

23 **SEC. 113. LEASE SALES.**

24 (a) IN GENERAL.—Land may be leased pursuant to
25 this subtitle to any person qualified to obtain a lease for

1 deposits of oil and gas under the Mineral Leasing Act (30
2 U.S.C. 181 et seq.).

3 (b) PROCEDURES.—The Secretary shall, by regula-
4 tion, establish procedures for—

5 (1) receipt and consideration of sealed nomina-
6 tions for any area in the Coastal Plain for inclusion
7 in, or exclusion (as provided in subsection (c)) from,
8 a lease sale;

9 (2) the holding of lease sales after that nomina-
10 tion process; and

11 (3) public notice of and comment on designa-
12 tion of areas to be included in, or excluded from, a
13 lease sale.

14 (c) LEASE SALE BIDS.—Bidding for leases under
15 this subtitle shall be by sealed competitive cash bonus bids.

16 (d) ACREAGE MINIMUM IN FIRST SALE.—For the
17 first lease sale under this subtitle, the Secretary shall offer
18 for lease those tracts the Secretary considers to have the
19 greatest potential for the discovery of hydrocarbons, tak-
20 ing into consideration nominations received pursuant to
21 subsection (b)(1), but in no case less than 200,000 acres.

22 (e) TIMING OF LEASE SALES.—The Secretary
23 shall—

1 (1) not later than 22 months after the date of
2 enactment of this Act, conduct the first lease sale
3 under this subtitle;

4 (2) not later than September 30, 2012, conduct
5 a second lease sale under this subtitle; and

6 (3) conduct additional sales at appropriate in-
7 tervals if sufficient interest in exploration or devel-
8 opment exists to warrant the conduct of the addi-
9 tional sales.

10 **SEC. 114. GRANT OF LEASES BY THE SECRETARY.**

11 (a) IN GENERAL.—Upon payment by a lessee of such
12 bonus as may be accepted by the Secretary, the Secretary
13 may grant to the highest responsible qualified bidder in
14 a lease sale conducted pursuant to section 113 a lease for
15 any land on the Coastal Plain.

16 (b) SUBSEQUENT TRANSFERS.—

17 (1) IN GENERAL.—No lease issued under this
18 subtitle may be sold, exchanged, assigned, sublet, or
19 otherwise transferred except with the approval of the
20 Secretary.

21 (2) CONDITION FOR APPROVAL.—Before grant-
22 ing any approval described in paragraph (1), the
23 Secretary shall consult with and give due consider-
24 ation to the opinion of the Attorney General.

1 **SEC. 115. LEASE TERMS AND CONDITIONS.**

2 (a) IN GENERAL.—An oil or gas lease issued pursu-
3 ant to this subtitle shall—

4 (1) provide for the payment of a royalty of not
5 less than 16½ percent of the amount or value of the
6 production removed or sold from the lease, as deter-
7 mined by the Secretary in accordance with regula-
8 tions applicable to other Federal oil and gas leases;

9 (2) provide that the Secretary may close, on a
10 seasonal basis, such portions of the Coastal Plain to
11 exploratory drilling activities as are necessary to
12 protect caribou calving areas and other species of
13 fish and wildlife;

14 (3) require that each lessee of land within the
15 Coastal Plain shall be fully responsible and liable for
16 the reclamation of land within the Coastal Plain and
17 any other Federal land that is adversely affected in
18 connection with exploration, development, produc-
19 tion, or transportation activities within the Coastal
20 Plain conducted by the lessee or by any of the sub-
21 contractors or agents of the lessee;

22 (4) provide that the lessee may not delegate or
23 convey, by contract or otherwise, that reclamation
24 responsibility and liability to another person without
25 the express written approval of the Secretary;

1 (5) provide that the standard of reclamation for
2 land required to be reclaimed under this subtitle
3 shall be, to the maximum extent practicable—

4 (A) a condition capable of supporting the
5 uses that the land was capable of supporting
6 prior to any exploration, development, or pro-
7 duction activities; or

8 (B) upon application by the lessee, to a
9 higher or better standard, as approved by the
10 Secretary;

11 (6) contain terms and conditions relating to
12 protection of fish and wildlife, fish and wildlife habi-
13 tat, subsistence resources, and the environment as
14 required under section 112(a)(2);

15 (7) provide that each lessee, and each agent
16 and contractor of a lessee, use their best efforts to
17 provide a fair share of employment and contracting
18 for Alaska Natives and Alaska Native Corporations
19 from throughout the State of Alaska, as determined
20 by the level of obligation previously agreed to in the
21 Federal Agreement; and

22 (8) contain such other provisions as the Sec-
23 retary determines to be necessary to ensure compli-
24 ance with this subtitle and regulations issued under
25 this subtitle.

1 (b) PROJECT LABOR AGREEMENTS.—The Secretary,
2 as a term and condition of each lease under this subtitle,
3 and in recognizing the proprietary interest of the Federal
4 Government in labor stability and in the ability of con-
5 struction labor and management to meet the particular
6 needs and conditions of projects to be developed under the
7 leases issued pursuant to this subtitle (including the spe-
8 cial concerns of the parties to those leases), shall require
9 that each lessee, and each agent and contractor of a lessee,
10 under this subtitle negotiate to obtain a project labor
11 agreement for the employment of laborers and mechanics
12 on production, maintenance, and construction under the
13 lease.

14 **SEC. 116. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

15 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD
16 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—
17 In accordance with section 112, the Secretary shall admin-
18 ister this subtitle through regulations, lease terms, condi-
19 tions, restrictions, prohibitions, stipulations, or other pro-
20 visions that—

21 (1) ensure, to the maximum extent practicable,
22 that oil and gas exploration, development, and pro-
23 duction activities on the Coastal Plain will result in
24 no significant adverse effect on fish and wildlife, fish
25 and wildlife habitat, and the environment;

1 (2) require the application of the best commer-
2 cially available technology for oil and gas explo-
3 ration, development, and production on all new ex-
4 ploration, development, and production operations;
5 and

6 (3) ensure that the maximum surface acreage
7 covered in connection with the leasing program by
8 production and support facilities, including airstrips
9 and any areas covered by gravel berms or piers for
10 support of pipelines, does not exceed 2,000 acres on
11 the Coastal Plain.

12 (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—
13 The Secretary shall require, with respect to any proposed
14 drilling and related activities on the Coastal Plain, that—

15 (1) a site-specific environmental analysis be
16 made of the probable effects, if any, that the drilling
17 or related activities will have on fish and wildlife,
18 fish and wildlife habitat, subsistence resources, sub-
19 sistence uses, and the environment;

20 (2) a plan be implemented to avoid, minimize,
21 and mitigate (in that order and to the maximum ex-
22 tent practicable) any significant adverse effect iden-
23 tified under paragraph (1); and

24 (3) the development of the plan occur after con-
25 sultation with—

1 (A) each agency having jurisdiction over
2 matters mitigated by the plan;

3 (B) the State of Alaska;

4 (C) North Slope Borough, Alaska; and

5 (D) the City of Kaktovik, Alaska.

6 (c) REGULATIONS TO PROTECT COASTAL PLAIN
7 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
8 AND THE ENVIRONMENT.—Before implementing the leas-
9 ing program authorized by this subtitle, the Secretary
10 shall prepare and issue regulations, lease terms, condi-
11 tions, restrictions, prohibitions, stipulations, or other
12 measures designed to ensure, to the maximum extent prac-
13 ticable, that the activities carried out on the Coastal Plain
14 under this subtitle are conducted in a manner consistent
15 with the purposes and environmental requirements of this
16 subtitle.

17 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
18 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
19 proposed regulations, lease terms, conditions, restrictions,
20 prohibitions, and stipulations for the leasing program
21 under this subtitle shall require—

22 (1) compliance with all applicable provisions of
23 Federal and State environmental law (including reg-
24 ulations);

25 (2) implementation of and compliance with—

1 (A) standards that are at least as effective
2 as the safety and environmental mitigation
3 measures, as described in items 1 through 29
4 on pages 167 through 169 of the Final State-
5 ment, on the Coastal Plain;

6 (B) seasonal limitations on exploration, de-
7 velopment, and related activities, as necessary,
8 to avoid significant adverse effects during peri-
9 ods of concentrated fish and wildlife breeding,
10 denning, nesting, spawning, and migration;

11 (C) design safety and construction stand-
12 ards for all pipelines and any access and service
13 roads that minimize, to the maximum extent
14 practicable, adverse effects on—

15 (i) the passage of migratory species
16 (such as caribou); and

17 (ii) the flow of surface water by re-
18 quiring the use of culverts, bridges, or
19 other structural devices;

20 (D) prohibitions on general public access
21 to, and use of, all pipeline access and service
22 roads;

23 (E) stringent reclamation and rehabilita-
24 tion requirements in accordance with this sub-
25 title for the removal from the Coastal Plain of

1 all oil and gas development and production fa-
2 cilities, structures, and equipment on comple-
3 tion of oil and gas production operations, except
4 in a case in which the Secretary determines
5 that those facilities, structures, or equipment—

6 (i) would assist in the management of
7 the Arctic National Wildlife Refuge; and

8 (ii) are donated to the United States
9 for that purpose;

10 (F) appropriate prohibitions or restrictions

11 on—

12 (i) access by all modes of transpor-
13 tation;

14 (ii) sand and gravel extraction; and

15 (iii) use of explosives;

16 (G) reasonable stipulations for protection
17 of cultural and archaeological resources;

18 (H) measures to protect groundwater and
19 surface water, including—

20 (i) avoidance, to the maximum extent
21 practicable, of springs, streams, and river
22 systems;

23 (ii) the protection of natural surface
24 drainage patterns and wetland and ripar-
25 ian habitats; and

1 (iii) the regulation of methods or tech-
2 niques for developing or transporting ade-
3 quate supplies of water for exploratory
4 drilling; and

5 (I) research, monitoring, and reporting re-
6 quirements;

7 (3) that exploration activities (except surface
8 geological studies) be limited to the period between
9 approximately November 1 and May 1 of each year
10 and be supported, if necessary, by ice roads, winter
11 trails with adequate snow cover, ice pads, ice air-
12 strips, and air transport methods (except that those
13 exploration activities may be permitted at other
14 times if the Secretary determines that the explo-
15 ration will have no significant adverse effect on fish
16 and wildlife, fish and wildlife habitat, subsistence re-
17 sources, and the environment of the Coastal Plain);

18 (4) consolidation of facility siting;

19 (5) avoidance or reduction of air traffic-related
20 disturbance to fish and wildlife;

21 (6) treatment and disposal of hazardous and
22 toxic wastes, solid wastes, reserve pit fluids, drilling
23 muds and cuttings, and domestic wastewater, includ-
24 ing, in accordance with applicable Federal and State
25 environmental laws (including regulations)—

1 (A) preparation of an annual waste man-
2 agement report;

3 (B) development and implementation of a
4 hazardous materials tracking system; and

5 (C) prohibition on the use of chlorinated
6 solvents;

7 (7) fuel storage and oil spill contingency plan-
8 ning;

9 (8) conduct of periodic field crew environmental
10 briefings;

11 (9) avoidance of significant adverse effects on
12 subsistence hunting, fishing, and trapping;

13 (10) compliance with applicable air and water
14 quality standards;

15 (11) appropriate seasonal and safety zone des-
16 ignations around well sites, within which subsistence
17 hunting and trapping shall be limited; and

18 (12) development and implementation of such
19 other protective environmental requirements, restric-
20 tions, terms, or conditions as the Secretary, after
21 consultation with the State of Alaska, North Slope
22 Borough, Alaska, and the City of Kaktovik, Alaska,
23 determines to be necessary.

24 (e) CONSIDERATIONS.—In preparing and issuing reg-
25 ulations, lease terms, conditions, restrictions, prohibitions,

1 or stipulations under this section, the Secretary shall take
2 into consideration—

3 (1) the stipulations and conditions that govern
4 the National Petroleum Reserve-Alaska leasing pro-
5 gram, as set forth in the 1999 Northeast National
6 Petroleum Reserve-Alaska Final Integrated Activity
7 Plan/Environmental Impact Statement;

8 (2) the environmental protection standards that
9 governed the initial Coastal Plain seismic exploration
10 program under parts 37.31 through 37.33 of title
11 50, Code of Federal Regulations (or successor regu-
12 lations); and

13 (3) the land use stipulations for exploratory
14 drilling on the KIC–ASRC private land described in
15 Appendix 2 of the agreement between Arctic Slope
16 Regional Corporation and the United States dated
17 August 9, 1983.

18 (f) FACILITY CONSOLIDATION PLANNING.—

19 (1) IN GENERAL.—After providing for public
20 notice and comment, the Secretary shall prepare and
21 periodically update a plan to govern, guide, and di-
22 rect the siting and construction of facilities for the
23 exploration, development, production, and transpor-
24 tation of oil and gas resources from the Coastal
25 Plain.

1 (2) OBJECTIVES.—The objectives of the plan
2 shall be—

3 (A) the avoidance of unnecessary duplica-
4 tion of facilities and activities;

5 (B) the encouragement of consolidation of
6 common facilities and activities;

7 (C) the location or confinement of facilities
8 and activities to areas that will minimize impact
9 on fish and wildlife, fish and wildlife habitat,
10 subsistence resources, and the environment;

11 (D) the use of existing facilities, to the
12 maximum extent practicable; and

13 (E) the enhancement of compatibility be-
14 tween wildlife values and development activities.

15 (g) ACCESS TO PUBLIC LAND.—The Secretary
16 shall—

17 (1) manage public land in the Coastal Plain in
18 accordance with subsections (a) and (b) of section
19 811 of the Alaska National Interest Lands Con-
20 servation Act (16 U.S.C. 3121); and

21 (2) ensure that local residents shall have rea-
22 sonable access to public land in the Coastal Plain for
23 traditional uses.

1 **SEC. 117. RIGHTS-OF-WAY AND EASEMENTS ACROSS COAST-**
2 **AL PLAIN.**

3 For purposes of section 1102(4)(A) of the Alaska Na-
4 tional Interest Lands Conservation Act (16 U.S.C.
5 3162(4)(A)), any rights-of-way or easements across the
6 Coastal Plain for the exploration, development, produc-
7 tion, or transportation of oil and gas shall be considered
8 to be established incident to the management of the Coast-
9 al Plain under this section.

10 **SEC. 118. CONVEYANCE.**

11 Notwithstanding section 1302(h)(2) of the Alaska
12 National Interest Lands Conservation Act (16 U.S.C.
13 3192(h)(2)), to remove any cloud on title to land, and to
14 clarify land ownership patterns in the Coastal Plain, the
15 Secretary shall—

16 (1) to the extent necessary to fulfill the entitle-
17 ment of the Kaktovik Inupiat Corporation under sec-
18 tions 12 and 14 of the Alaska Native Claims Settle-
19 ment Act (43 U.S.C. 1611, 1613), as determined by
20 the Secretary, convey to that Corporation the sur-
21 face estate of the land described in paragraph (1) of
22 Public Land Order 6959, in accordance with the
23 terms and conditions of the agreement between the
24 Secretary, the United States Fish and Wildlife Serv-
25 ice, the Bureau of Land Management, and the

1 Kaktovik Inupiat Corporation, dated January 22,
2 1993; and

3 (2) convey to the Arctic Slope Regional Cor-
4 poration the remaining subsurface estate to which
5 that Corporation is entitled under the agreement be-
6 tween that corporation and the United States, dated
7 August 9, 1983.

8 **SEC. 119. LOCAL GOVERNMENT IMPACT AID AND COMMU-
9 NITY SERVICE ASSISTANCE.**

10 (a) ESTABLISHMENT OF FUND.—

11 (1) IN GENERAL.—As a condition on the receipt
12 of funds under section 120(1), the State of Alaska
13 shall establish in the treasury of the State, and ad-
14 minister in accordance with this section, a fund to
15 be known as the “Coastal Plain Local Government
16 Impact Aid Assistance Fund” (referred to in this
17 section as the “Fund”).

18 (2) DEPOSITS.—Subject to paragraph (1), the
19 Secretary of the Treasury shall deposit into the
20 Fund, \$35,000,000 each year from the amount
21 available under section 120(1).

22 (3) INVESTMENT.—The Governor of the State
23 of Alaska (referred to in this section as the “Gov-
24 ernor”) shall invest amounts in the Fund in interest-

1 bearing securities of the United States or the State
2 of Alaska.

3 (b) ASSISTANCE.—The Governor, in cooperation with
4 the Mayor of the North Slope Borough, shall use amounts
5 in the Fund to provide assistance to North Slope Borough,
6 Alaska, the City of Kaktovik, Alaska, and any other bor-
7 ough, municipal subdivision, village, or other community
8 in the State of Alaska that is directly impacted by explo-
9 ration for, or the production of, oil or gas on the Coastal
10 Plain under this subtitle, or any Alaska Native Regional
11 Corporation acting on behalf of the villages and commu-
12 nities within its region whose land lies along the right of
13 way of the Trans Alaska Pipeline System, as determined
14 by the Governor.

15 (c) APPLICATION.—

16 (1) IN GENERAL.—To receive assistance under
17 subsection (b), a community or Regional Corporation
18 described in that subsection shall submit to the Gov-
19 ernor, or to the Mayor of the North Slope Borough,
20 an application in such time, in such manner, and
21 containing such information as the Governor may re-
22 quire.

23 (2) ACTION BY NORTH SLOPE BOROUGH.—The
24 Mayor of the North Slope Borough shall submit to
25 the Governor each application received under para-

1 graph (1) as soon as practicable after the date on
2 which the application is received.

3 (3) ASSISTANCE OF GOVERNOR.—The Governor
4 shall assist communities in submitting applications
5 under this subsection, to the maximum extent prac-
6 ticable.

7 (d) USE OF FUNDS.—A community or Regional Cor-
8 poration that receives funds under subsection (b) may use
9 the funds—

10 (1) to plan for mitigation, implement a mitiga-
11 tion plan, or maintain a mitigation project to ad-
12 dress the potential effects of oil and gas exploration
13 and development on environmental, social, cultural,
14 recreational, and subsistence resources of the com-
15 munity;

16 (2) to develop, carry out, and maintain—

17 (A) a project to provide new or expanded
18 public facilities; or

19 (B) services to address the needs and prob-
20 lems associated with the effects described in
21 paragraph (1), including firefighting, police,
22 water and waste treatment, first responder, and
23 other medical services;

24 (3) to compensate residents of the Coastal
25 Plain for significant damage to environmental, so-

1 cial, cultural, recreational, or subsistence resources;
2 and

3 (4) in the City of Kaktovik, Alaska—

4 (A) to develop a mechanism for providing
5 members of the Kaktovikmiut Inupiat commu-
6 nity an opportunity to—

7 (i) monitor development on the Coast-
8 al Plain; and

9 (ii) provide information and rec-
10 ommendations to the Governor based on
11 traditional aboriginal knowledge of the nat-
12 ural resources, flora, fauna, and ecological
13 processes of the Coastal Plain; and

14 (B) to establish a local coordination office,
15 to be managed by the Mayor of the North Slope
16 Borough, in coordination with the City of
17 Kaktovik, Alaska—

18 (i) to coordinate with and advise de-
19 velopers on local conditions and the history
20 of areas affected by development;

21 (ii) to provide to the Committee on
22 Resources of the House of Representatives
23 and the Committee on Energy and Natural
24 Resources of the Senate annual reports on
25 the status of the coordination between de-

1 developers and communities affected by de-
2 velopment;

3 (iii) to collect from residents of the
4 Coastal Plain information regarding the
5 impacts of development on fish, wildlife,
6 habitats, subsistence resources, and the en-
7 vironment of the Coastal Plain; and

8 (iv) to ensure that the information
9 collected under clause (iii) is submitted
10 to—

11 (I) developers; and

12 (II) any appropriate Federal
13 agency.

14 **SEC. 120. ALLOCATION OF REVENUES.**

15 Notwithstanding the Mineral Leasing Act (30 U.S.C.
16 181 et seq.) or any other provision of law, of the adjusted
17 bonus, rental, and royalty receipts from Federal oil and
18 gas leasing and operations authorized under this subtitle:

19 (1) 27 percent shall be disbursed to the State
20 of Alaska.

21 (2) 25 percent shall be deposited in the Con-
22 servation Reserve Account established by section
23 201(a)(1).

1 (3) 25 percent shall be deposited in the Renew-
2 able Energy Reserve Account established by section
3 201(a)(2).

4 (4) 20 percent shall be deposited in the general
5 fund of the Treasury of the United States for debt
6 reduction.

7 (5) 3 percent shall be available to the Secretary
8 of Health and Human Services for carrying out the
9 low-income home energy assistance program estab-
10 lished under the Low-Income Home Energy Assist-
11 ance Act of 1981 (42 U.S.C. 8621 et seq.).

12 **Subtitle C—Oil Shale**

13 **SEC. 131. REMOVAL OF PROHIBITION ON FINAL REGULA-** 14 **TIONS FOR COMMERCIAL LEASING PROGRAM** 15 **FOR OIL SHALE RESOURCES ON PUBLIC** 16 **LAND.**

17 Section 433 of the Department of the Interior, Envi-
18 ronment, and Related Agencies Appropriations Act, 2008
19 (Public Law 110–161; 121 Stat. 2152) is repealed.

1 (C) to increase research, development, and
2 deployment of clean renewable energy and effi-
3 ciency technologies and job training programs
4 for those purposes.

5 (b) PROCEDURE FOR ADJUSTMENTS.—

6 (1) BUDGET COMMITTEE CHAIRMAN.—After the
7 reporting of a bill or joint resolution, or the offering
8 of an amendment or the submission of a conference
9 report for a bill or joint resolution, that provides
10 funding for the purposes described in paragraph (1)
11 or (2) of subsection (a) in excess of the amount of
12 the deposits under this Act or an amendment made
13 by this Act for those purposes for fiscal year 2009,
14 the chairman of the Committee on the Budget of the
15 applicable House of Congress shall make the adjust-
16 ments described in paragraph (2) for the amount of
17 new budget authority and outlays in that measure
18 and the outlays resulting from the budget authority.

19 (2) MATTERS TO BE ADJUSTED.—The adjust-
20 ments referred to in paragraph (1) shall be made
21 to—

22 (A) the discretionary spending limits, if
23 any, specified in the appropriate concurrent res-
24 olution on the budget;

1 (B) the allocations made pursuant to the
2 appropriate concurrent resolution on the budget
3 pursuant to section 302(a) of the Congressional
4 Budget Act of 1974 (2 U.S.C. 633(a)); and

5 (C) the budget aggregates contained in the
6 appropriate concurrent resolution on the budget
7 as required by section 301(a) of the Congres-
8 sional Budget Act of 1974 (2 U.S.C. 632(a)).

9 (3) AMOUNTS OF ADJUSTMENTS.—The adjust-
10 ments referred to in paragraphs (1) and (2) shall
11 not exceed the receipts estimated by the Congres-
12 sional Budget Office that are attributable to this Act
13 and the amendments made by this Act for the fiscal
14 year in which the adjustments are made.

15 (c) CONSULTATION.—Legislation shall not be treated
16 as legislation referred to in subsection (a) unless any ex-
17 penditure under the legislation for a purpose referred to
18 in that subsection may be made only after consultation
19 with (as appropriate)—

20 (1) the Administrator of the Environmental
21 Protection Agency;

22 (2) the Administrator of the National Oceanic
23 and Atmospheric Administration;

24 (3) the Secretary of the Army, acting through
25 the Corps of Engineers; and

1 (4) the Secretary of State.

2 (d) MAINTENANCE OF EFFORT BY STATES.—The
3 Secretary of the Interior, the Secretary of Health and
4 Human Services, the Secretary of Energy, and any other
5 Federal official with authority to implement legislation re-
6 ferred to in subsection (a) shall ensure that financial as-
7 sistance provided to a State under the legislation for any
8 purpose with amounts made available under this section
9 or in any legislation with respect to which subsection (a)
10 applies supplements, and does not replace, the amounts
11 expended by the State for that purpose before the date
12 of enactment of this Act.

13 **Subtitle B—Department of Defense**
14 **Facilitation of Secure Domestic**
15 **Fuel Development**

16 **SEC. 211. PROCUREMENT AND ACQUISITION OF ALTER-**
17 **NATIVE FUELS.**

18 Section 526 of the Energy Independence and Security
19 Act of 2007 (42 U.S.C. 17142) is repealed.

○