

113TH CONGRESS  
1ST SESSION

# H. R. 3780

To amend the Outer Continental Shelf Lands Act to authorize the Secretary of the Interior to establish an Ocean Energy Safety Institute, to promote the use of best available and safest offshore drilling technologies, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2013

Mr. HOLT (for himself, Mr. DEFAZIO, and Mr. LOWENTHAL) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committee on Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Outer Continental Shelf Lands Act to authorize the Secretary of the Interior to establish an Ocean Energy Safety Institute, to promote the use of best available and safest offshore drilling technologies, 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.**

4 This Act may be cited as the “Ocean Energy Safety  
5 and Technology Improvement Act of 2013”.

1 **SEC. 2. PRIORITY IN PERMITTING FOR NEW SAFETY-EN-**  
2 **HANCING TECHNOLOGIES.**

3 (a) EXPLORATION PLANS AND PERMITS.—Section 11  
4 of the Outer Continental Shelf Lands Act (43 U.S.C.  
5 1340) is amended by adding at the end the following:

6 “(g) In considering exploration plans and applica-  
7 tions for permits and other authorizations required under  
8 this section, the Secretary may give priority to reviewing  
9 and processing plans and applications that use, develop,  
10 or demonstrate new safety-enhancing technologies.”.

11 (b) DEVELOPMENT AND PRODUCTION PLANS AND  
12 PERMITS.—Section 25 of such Act (43 U.S.C. 1351) is  
13 amended by adding at the end the following:

14 “(m) In considering exploration plans and applica-  
15 tions for permits and other authorizations required under  
16 this section, the Secretary may give priority to reviewing  
17 and processing plans and applications that use, develop,  
18 or demonstrate new safety-enhancing technologies.”.

19 **SEC. 3. ESTABLISHMENT OF A SMALL BUSINESS PROGRAM.**

20 The Outer Continental Shelf Lands Act (43 U.S.C.  
21 1331 et seq.) is amended by adding at the end the fol-  
22 lowing:

23 **“SEC. 31. ESTABLISHMENT OF SMALL BUSINESS PROGRAM.**

24 “(a) IN GENERAL.—The Secretary shall establish a  
25 small business innovation research program or small busi-  
26 ness technology transfer program, or both, in accordance

1 with this section to broaden participation by smaller in-  
2 dustry participants in the development of safer tech-  
3 nologies for offshore oil and gas exploration and develop-  
4 ment.

5 “(b) DEFINITIONS.—In this section each of the terms  
6 ‘small business innovation research program’ and ‘small  
7 business technology transfer program’ has the meaning  
8 given such term in section 9(e) of the Small Business Act  
9 (15 U.S.C. 638(e)), as in effect on the date of the enact-  
10 ment of the Ocean Energy Safety and Technology Im-  
11 provement Act of 2013.”

12 **SEC. 4. OCEAN ENERGY SAFETY INSTITUTE.**

13 (a) IN GENERAL.—The Outer Continental Shelf  
14 Lands Act (43 U.S.C. 1331 et seq.) is further amended  
15 by adding at the end the following:

16 **“SEC. 32. OCEAN ENERGY SAFETY INSTITUTE.**

17 “(a) ESTABLISHMENT.—

18 “(1) IN GENERAL.—The Secretary shall estab-  
19 lish an independent Ocean Energy Safety Institute  
20 (in this section referred to as the ‘Institute’) to en-  
21 hance safe and responsible operations across the off-  
22 shore oil and gas industry.

23 “(2) FORM.—The Secretary may establish the  
24 Institute as—

1           “(A) a federally funded research and devel-  
2           opment center through an agreement in accord-  
3           ance with Federal Acquisition Regulation  
4           35.017–1; or

5           “(B) a university-affiliated research center  
6           managed by an institution of higher education.

7           “(3) COLLABORATION.—The Secretary shall en-  
8           sure that the Institute is a collaborative initiative in-  
9           volving government, academia, and scientific experts.

10          “(b) FUNCTIONS.—The Institute shall—

11           “(1) develop a program of research, technical  
12           assistance, and education that serves as a center of  
13           expertise in oil and gas exploration, development,  
14           and production technology;

15           “(2) provide a forum for dialogue, shared learn-  
16           ing, and cooperative research among academia, gov-  
17           ernment, industry, and other nongovernmental orga-  
18           nizations, in offshore energy-related technologies and  
19           activities that ensure safe and environmentally re-  
20           sponsible offshore oil and gas exploration, develop-  
21           ment, and production operations;

22           “(3) serve as a technical center that captures  
23           and preserves knowledge and experience to improve  
24           such operations;

1           “(4) provide recommendations and technical as-  
2           sistance to the Secretary related to the determina-  
3           tion of best available and safest technology and envi-  
4           ronmentally sound offshore oil and gas development  
5           practices;

6           “(5) evaluate design, test protocols, and test re-  
7           sults on behalf of the Secretary to certify new best  
8           available and safest technologies for such operations  
9           that have health, safety, or environment ramifica-  
10          tions;

11          “(6) facilitate training of Federal workers on  
12          identification and verification of best available and  
13          safest technology, and implementation of operational  
14          improvements, in the areas of offshore drilling safety  
15          and environmental protection, blowout containment,  
16          and oil spill response;

17          “(7) develop and maintain a domestic and  
18          international equipment failure reporting system and  
19          database of critical offshore oil and gas operations  
20          equipment failures related to well control;

21          “(8) provide recommendations and technical as-  
22          sistance related to geological and geophysical  
23          sciences relevant to understanding the technical  
24          challenges of offshore oil and gas operations; and

1           “(9) provide knowledgeable independent assess-  
2           ments concerning technology maturity, suitability,  
3           and cost.

4           “(c) FUNDING.—

5           “(1) FEE.—The Secretary shall issue regula-  
6           tions to establish an annual nonproducing lease fee  
7           with respect to areas of the outer Continental Shelf  
8           that are subject to a lease under this Act for produc-  
9           tion of oil or natural gas under which production is  
10          not occurring.

11          “(2) APPLICATION.—Such fee shall apply with  
12          respect to land that is subject to such a lease that  
13          is in effect on the date final regulations are promul-  
14          gated under this subsection or that is issued there-  
15          after.

16          “(3) AMOUNT.—The amount of the fee shall be  
17          \$1 for each acre of such land from which oil or nat-  
18          ural gas is produced for less than 90 days in a cal-  
19          endar year.

20          “(4) ASSESSMENT AND COLLECTION.—The Sec-  
21          retary shall assess and collect the fee established  
22          under this subsection.

23          “(5) USE.—Amounts received by the United  
24          States as the fee under this subsection may be used  
25          by the Secretary for operations of the Institute.

1           “(6) PREVENTING EVASION.—The Secretary  
2           may include in the regulations provisions to prevent  
3           evasion of the fee.

4           “(d) REPORTING AND MEETINGS.—The Institute  
5           shall provide a report to the Secretary on all Institute ac-  
6           tivities on a quarterly basis, and conduct an in-person  
7           meeting with the Secretary or the Secretary’s designees  
8           at least once each year.”.

9           (b) DEADLINE FOR FEE REGULATIONS.—The Sec-  
10          retary of the Interior shall issue regulations establishing  
11          the fee under the amendment made by subsection (a) with-  
12          in 180 days after the date of enactment of this Act.

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