NAYS—197

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carson
Case
Chandler
Clay
Cleaver
Clyburn
Conyers
Cooper
Costa
Costello
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Matheson
Matsui
McCarthy
McCollum (MN)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Shays
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—15

Bishop (UT)
Cannon
Cardin
Evans
Fitzpatrick (PA)
Ford
Gerlach
Hayes
Holden
Johnson, Sam
Kanjorski
Lewis (KY)
Marshall
McHenry
Sherwood

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in the vote.

□ 1454

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. HAYES. Mr. Speaker, I was unable to participate in the following votes. If I had been present, I would have voted as follows:

JULY 29, 2006

Rollcall vote 353, I would have voted "yea."
Rollcall vote 352, I would have voted "yea."
Rollcall vote 351, I would have voted "yea."
Rollcall vote 350, I would have voted "yea."
Rollcall vote 349, I would have voted "yea."
Rollcall vote 348, I would have voted "nay."
Rollcall vote 347, I would have voted "yea."

PERSONAL EXPLANATION

Mr. CARDIN. Mr. Speaker, earlier today, I was unavoidably detained and missed four rollcall votes.

Had I been present, I would have voted ''nay'' on rollcall vote No. 350, ''nay'' on rollcall vote No. 351, ''nay'' on rollcall vote No. 352, and ''nay'' on rollcall vote No. 353.

The SPEAKER pro tempore (Mr. SIMMONS). Pursuant to House Resolution 897, the resolutions listed in section 2 thereof are laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5672, SCIENCE, STATE, JUSTICE, COMMERCE, AND RELATED AGENCIES APPROPRIATIONS ACT, 2007

Mr. WOLF. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 5672, the Clerk be authorized to make technical corrections and conforming changes to the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

COMMUNICATION FROM DISTRICT DIRECTOR OF HON. ROBERT NEY, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Matthew Parker, District Director of the Honorable ROBERT NEY, Member of Congress:

JUNE 28, 2006.

Hon. DENNIS HASTERT,
Speaker,
House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a grand jury subpoena for documents and testimony issued by the U.S. District Court for the District of Columbia.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,

MATTHEW PARKER,
District Director.

GENERAL LEAVE

Mr. POMBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill, H.R. 4761.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DEEP OCEAN ENERGY RESOURCES ACT OF 2006

The SPEAKER pro tempore. Pursuant to House Resolution 897 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4761.

□ 1458

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4761) to provide for exploration, development, and production activities for mineral resources on the outer Continental Shelf, and for other purposes, with Mr. SIMPSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentleman from California (Mr. POMBO) and the gentleman from West Virginia (Mr. RAHALL) each will control 30 minutes.

The Chair recognizes the gentleman from California.

Mr. POMBO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have before us today an extremely important bill. Earlier in the day we had quite a bit of debate on the rule. Unfortunately, much of that debate had very little to do with this bill. Much of that debate had more to do with other issues that Congress has failed to address over the last several years; but we do have the opportunity today to move forward in terms of a national energy policy and taking a step in the right direction.

I look forward to a very active debate, a very insightful debate; and I hope that my colleagues can actually debate the bill that is in front of us today because that is what we are debating. I hope that we have the opportunity to have a full hearing on what is important to this country.

Mr. Chairman, I reserve the balance of my time.

□ 1500

Mr. RAHALL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the pending legislation on the basis that I am unwilling to vote against America's energy independence. This bill would continue to mortgage our Nation's future to a handful of multinational oil conglomerates. It demands a continued addiction to a petroleum diet. It would only further enslave us as a Nation, as a society, to the oily ways of the past, which do not bode well for our energy future.

It is telling that the so-called ''energy week'' proclaimed by the Republican majority consists only of this single piece of legislation that would only further shackle the Nation to the

whims and caprices of the petroleum industry. It is telling that this is their idea, as it has been all along, of what energy independence means.

As Paul Revere did on that famous midnight ride, those of us opposed to this ill-conceived bill are raising an alarm. The drumbeat that we hear pounds out a call of freedom. Freedom to be done with those who profit and plunder at the gas pumps throughout this country, freedom from the price gougers, freedom from the merchants of profit and power over our American values, and the freedom to devise new and alternative fuels to our petroleum dependency. It is time to stand up and be counted, to hoist up the flag and salute it, to strike a resounding chord that will reverberate across this great land of ours.

I say to my colleagues that truly today is Independence Day here in the House of Representatives, for we are being given an opportunity to vote against this outrageous bill and vote against it on the following grounds:

First, it would improperly and perhaps unconstitutionally delegate to the coastal States virtually all decision-making powers over the disposition of a Federal resource. It says to all of the other owners of our offshore water and energy resources, whether they reside in Ohio, Idaho, Arizona or my great State of West Virginia, so it should say to the owners of our offshore waters and energy resources, all of the American taxpayers, no matter what State that they reside in, that they have no say in this matter. No say whatsoever, that we are going to vest all of the power with a few, to the detriment of the many.

Second, it would grab the second largest source of income to the Federal Government after personal income taxes, yank this revenue out of the Treasury and redistribute it to those few. Let's be clear. This bill would reallocate existing revenue from OCS oil and gas leases to willing coastal States, not just future, potential revenue streams, but also those currently being dedicated to the benefit of the Nation as a whole.

It would rob the majority of the American people and bankrupt the Land and Water Conservation Fund so cherished by communities and localities across this great land. According to the administration, this is their figures, the revenue-sharing provisions of bill alone would constitute a $74 billion hit over the first 15 years. Envision this massive rate on America's resources and what it will mean to the average American.

Third reason for opposing this bill, it would deprive most of us of jobs and economic benefits in most of the regions of our country. Those of you from the Midwest, from the corn belt, you can forget about ethanol. This bill demands petroleum. Vote for it, and you vote against your interests. You vote against the jobs in your region and against economic benefits that the production of ethanol brings to your region.

Those of you from the coalfields, like myself, where we have sought for many years to broaden our employment base and to reduce our Nation's petroleum fixation with liquid fuels made from coal, vote for this and you are voting against the future of your coal miners.

As in the past, these so-called energy bills that come before this Republican-controlled Congress are nothing but a vote for further, as the President wants to wean us away from, it is nothing but a vote for a further addiction to oil.

With the Nation hard and fast on a petroleum diet for decades to come brought forth by this pending legislation, the widespread commercialization of coal-to-liquids technology to fuel our vehicles will continue to be an elusive goal and merely lip service only.

I have never forsaken the coal miners in my congressional district, and I am not about to do so now.

Fourth, Mr. Chairman, this bill simply is not necessary. Under the Bush administration alone, the Department of Interior has offered leases covering 267 million acres of the OCS. Industry has only sought to acquire 24 million of those acres.

Now, contemplate that for a moment. There are still 243 million acres available, currently available for leasing that the oil and gas industry has not yet seen fit to bid upon. In all, in total, over 40 million acres of the OCS are under lease and less than 7 million of those acres are in production.

Is there a crisis in the OCS? Is there evidence that legislation such as that before us today, which shreds long-standing moratoria is needed? The facts tell us not.

Those who bring forth this legislation represent an era that should now be in our past, seeking to place all of our eggs in a black basket woven of petroleum. They would defend the predominance of Big Oil, those with wealth and power over our energy destiny.

Those of us opposed to this legislation bring with us the conviction that there are limits to what the American people will suffer for the sake of profit and power. This is indeed a turning point for America.

Mr. Chairman, I urge the defeat of the pending legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. POMBO. Mr. Chairman I yield 2 minutes to the majority whip, Mr. BLUNT.

Mr. BLUNT. Mr. Chairman, I thank the chairman and Mr. ABERCROMBIE for their work on this bill, which will produce a bipartisan vote today.

I join my friend, Mr. RAHALL, in his interest and support in the continued expansion of the use of coal and ethanol. I just do not think this bill prevents that from happening. This bill allows us, during a transitional generation, to help meet the needs of that transition.

This bill allows us to look at domestic resources, at resources close to our shore that replace those things we are now importing. The U.S. Minerals Management Service estimates that in these deep sea areas there are 420 trillion cubic feet of natural gas, almost 20 times the annual U.S. consumption of natural gas, 86 billion barrels of oil. Twenty years of imported oil would be 86 billion barrels of oil, or almost 20 years of imported oil.

This bill is balanced, a common-sense approach that gives the coastal States unprecedented power to prevent production within 100 miles of their coastline, while enabling the United States to produce energy in the deep waters beyond.

This bill is at no cost to the Federal Government. The scoring in the bill that the sponsors have worked on comes back at no cost in 1 year, no cost in 2 years, no cost in 10 years. In fact, the Federal Government brings in additional revenues under this formula, even though it is beginning to share new revenues with the States.

The U.S. is facing high energy prices. The U.S. is in a crisis of too much imported oil and natural gas. Too many jobs and gross sales have gone to other countries as the natural gas prices have made us less competitive in fertilizer and other industries than we used to be.

This is a great piece of legislation. It is a great effort to bring so many elements together. I want to again thank the chairman for his leadership on this legislation and others, along with Mr. ABERCROMBIE, who have worked so hard to bring it to floor today.

Mr. RAHALL. Mr. Chairman, I yield 3¼ minutes to the gentlewoman from California (Mrs. CAPPS), a true leader in this area who has devoted a great deal of time on this issue and has a true concern for our environment and what this issues means for us.

Mrs. CAPPS. Mr. Chairman, I thank my colleague for yielding me time.

Mr. Chairman, I rise in such strong opposition to this budget-busting bill that threatens our coastal communities. This bill is unnecessary, misleading and fiscally irresponsible.

The oil and gas companies, awash in profits from high energy prices, would have you believe these three things: That the offshore oil resources are off limits today. Second, that this bill will give States control over the drilling off their coasts. Third, that this bill is fiscally responsible.

All of it is hogwash.

First, here is a little secret supporters of the bill do not want you to know. The industry already has access to the vast majority of oil and gas on the OCS. According to the Bush administration, some 80 percent of the known reserves are located in areas where drilling is already allowed.

Furthermore, the oil and gas industry already owns the drilling rights to more than 4,000 untapped leases in the Gulf of Mexico alone. Why should we

open the entire U.S. coast to drilling when the industry will not even drill where it already can?

Second, this bill turns Federal efforts for coastal protection and public lands protection on its head. The Federal Government sets the rules on drilling and other activities in Federal waters. The impact on the environment and the fishing and transportation industries are just too broad to be determined by a single State.

But this bill turns these important decisions over to the States. It would be like letting California decide what should go on in Yosemite, or letting Pennsylvania set the rules for air quality on the east coast.

And as for the claim that the bill gives a State control of oil drilling off its coast, that is full of holes, too. The bill ends the current moratorium on new drilling immediately. In order to continue even parts of the current ban, a State has to clear numerous hurdles. It has to petition the Feds through separate legislative votes and actions by its governor. The petitioning has to be repeated every 5 years.

The Federal Government can simply ignore a State's request for continuation of the ban anyway, and that is hardly giving a State control over its coastal protection.

Finally, this bill creates a new permanent entitlement that will add billions to the Federal deficit.

The Bush administration says the bill would cost $74 billion over the next 15 years and a whopping $600 billion over the next 60 years. For my fiscally conservative friends who spent hours trying to strike $100,000 dollars from appropriations bills, let me repeat that. This bill will add $74 billion to the deficit over the next 15 years and $600 billion over the next 60 years.

And for my fiscally conservative Blue Dog friends, this budget-busting bill will add even more zeroes to those great deficit signs outside your offices.

I know that Chairman POMBO has spent the last couple of days trying to bring that cost down. But who really knows what the effect of his proposed changes are, given the little time anyone actually has had to digest his manager's amendment?

Mr. Chairman, if Members really want to put brakes on reckless budgeting, here is the chance to lower the deficit by dollars and not pennies.

This bill is a bad deal for America. It will unnecessarily put at risk protections for our coastlines that have been in place for 25 years. It will lead to even more control of our offshore waters by the oil and gas industry. It will lead to even larger Federal budget deficits. Vote no on this budget buster.

Mr. POMBO. Mr. Chairman, I yield for a unanimous consent request to Mr. DUNCAN.

Mr. DUNCAN. Mr. Chairman, I want to thank and commend Chairman POMBO for this bill.

(Mr. DUNCAN asked and was given permission to revise and extend his remarks.)

Mr. Chairman, I rise in support of the Deep Ocean Energy Resources Act. Simply put, the DOER Act is a matter of both out national security and our economic security. Over the last couple of years gasoline and natural gas prices have skyrocketed.

More and more people are finding it harder to pay for the gas to fill up their tanks just so they can get to work to provide for their families. Lower income citizens are having trouble paying their utility bills.

We have been blessed with relatively low inflation rates that date back to the Reagan Administration. However, now in recent months, the Federal Reserve is constantly rising interest rates due to inflation, largely caused by rising energy costs.

When businesses have to raise their prices to pay for their energy bills, those increased costs get passed on to consumers. that is just simple economics.

At one of our hearings in the Resources Committee we were told that the United States is the only country in the world that forbids safe energy production on its Outer Continental shelf. If environmentalists will not let us drill offshore or in areas within the Country, from where are we supposed to get our energy? this makes us more vulnerable to foreign energy producers.

It also drives up prices and hurts poor and lower income and working people most of all.

We are forced to seek supplies overseas in politically unstable areas of the world such as the Middle East, Nigeria and Venezuela. Now we are told that the President of Venezuela wants to work with Castro's Cuba and the Chinese and drill for energy in Cuban waters that are close to Florida, so Cuba can drill close to Florida, but we can't.

America has proven oil and gas reserves that we have locked up. We can no longer afford that luxury. the DOER Act would allow us to increase the supply of domestic oil and gas and improve the prospects for a more affordable energy future.

Mr. POMBO. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. JINDAL), one of the chief authors of the bill.

Mr. JINDAL. Mr. Chairman, I want to thank Mr. POMBO for his very good work on this bill. I would encourage support and a yes vote on this bill for several reasons.

If you are worried about rising energy prices, I would recommend a yes vote on this bill. Thirty percent of the Nation's energy comes off the gulf coast.

If you are interested in treating the gulf coast States equally, the way that we treat on-shore drilling on Federal lands for inland States, I would recommend a yes vote on this bill.

If you are interested in our environment, if you are interested in restoring America's wetlands, I would encourage a yes vote on this bill.

Louisiana loses 30 miles a year off our coast. We lost 100 miles last year off our coast thanks to Hurricanes Katrina and Rita. We have lost a size of land equivalent to the entire state of Rhode Island. The State of Louisiana is poised to pass a constitutional amendment dedicating 100 percent of the royalties we will receive under this bill for coastal restoration, hurricane and flood protection, restoring our coastal infrastructure.

If you are worried about the hundreds of thousands of jobs we are losing in this country, if you worried about the 100,000 jobs we have lost in the wood and paper industry in the last 6 years, the 100,000 jobs we have lost in the petrochemical industry in the last 6 years, I would encourage a yes vote on this bill.

In Louisiana alone, we have lost 5,000 jobs, 5,000 jobs in the last couple of years, jobs that averaged $50,000 a year, jobs in our fertilizer industry, jobs in our wood and paper industry, in part because natural gas prices are half, in Russia are half or less overseas compared to what we are paying right here in the United States. If you are worried about keeping those jobs, I would encourage a yes vote on this bill.

If you are worried about the hurricane damage that occurred in Louisiana, one of the reasons the entire Louisiana delegation, our Democrats and Republicans, our Democratic governor, are strongly encouraging a yes vote for this bill is this is our best chance to get the recurring revenue sources we need for category 5 levees. This is the best chance we have for recurring revenue sources to restore our coasts. Every 2.4 miles of wetlands absorbs 1 foot of tidal surge. I am going to repeat that. Every 2.4 miles of wetlands absorbs 1 foot of tidal surge.

We were all shocked, outraged and hopefully sympathetic with the people of Louisiana after last year's hurricanes. The best way to help those people is with a yes vote on this bill.

□ 1515

Mr. RAHALL. Mr. Chairman, I yield for the purposes of a unanimous consent request to the gentleman from Texas (Mr. GENE GREEN).

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Chairman, I rise in support of the bill and oppose the amendments.

Mr. Chairman, the price of natural gas is unsustainable for the American manufacturing base and for American families' home heating. We are already in a crisis with natural gas around $7 per thousand cubic feet.

Average long-term contract prices for natural gas have tripled and quadrupled over the last 5 years, and spot market prices are even higher.

Normally it would be heresy for a Texan to complain about high natural gas prices. The fact that I do just that is proof of this crisis.

The American chemical industry has already lost almost 1 million high paying jobs due to high natural gas prices. But the worst is yet to come.

We are on the verge of a tragedy as the production in the open areas of the Gulf of Mexico peaks in the next 10 years, and we have nothing to replace it unless we pass this legislation.

Many of the opponents of oil and gas drilling say drilling will have no impact on prices. With oil, they have a point, because it is a global price, but domestic oil does protect us from shortages and price spikes.

However, natural gas is not easily shipped overseas because it must be frozen to negative 200 degrees, so it is not a global price.

The high prices we pay for home heating and manufacturing are a direct result of the fact that our U.S. natural gas is locked up by federal bans.

Unless we open our offshore areas, the U.S. will experience shortages of natural gas over the coming winters.

Natural gas is the most efficient, cleanest form of home heating available and many areas have no alternatives.

We face the very real possibility that one winter, natural gas on the spot market will not be available at any price—factories will close and Americans will risk death during the winter.

If that happens, Congress will be to blame, because the United States is the only developed nation in the world that forbids safe energy production offshore.

Norway, Britain, Canada, and other highly developed countries with strong environmental protection produce offshore without problems.

Because they produce their gas, their industries have a competitive advantage against ours.

Major chemical companies have told me point blank that they are adding jobs in Europe instead of America, even though they have more labor and environmental regulations, because they have cheaper natural gas.

Those are tragic decisions for us, but natural gas is as much as much as ten times more expensive in the United States than it is overseas.

I support energy alternatives, but ethanol, solar power, and wind power cannot substitute for natural gas in home heating or for making plastic.

Electric home heating is much less efficient and natural gas is needed in manufacturing not just as a fuel, but as a feedstock to produce plastics.

Much of the materials we use in our daily lives are plastics, and those materials used to be made in the U.S.

Unless we allow our industries access to domestic natural gas, more jobs will go to Europe, Russia, China and India in search of natural gas.

I urge a ''yes'' vote on the bill, and a ''no'' vote on all amendments to weaken the legislation.

Mr. RAHALL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York (Mr. BOEHLERT).

(Mr. BOEHLERT asked and was given permission to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Chairman, I rise in the strongest possible opposition to this bill.

First, we should not be opening our coasts, all of our coasts, to oil drilling when we have not taken the first step, not the first step, to conserve oil. Drilling today just depletes oil we may need later. Conserving now means saving more oil year after year after year. But the Rules Committee did not make in order my amendment on fuel economy standards, which at least would have allowed us to have a debate on demand and supply at the same time.

But my opposition goes beyond any general concern about oil drilling because this bill does far more than simply lift the long-standing moratoriums on drilling. This bill basically hands over our coastal waters to the oil interests and makes it hard for States or citizens to do anything about it.

And this is no exaggeration. The bill makes it difficult for States to bar drilling. Then, if a State allows drilling, the bill eliminates fundamental parts of the current process that allow States and citizens to review drilling plans to make sure they are environmentally sound and consistent with other possible uses of the waters. Then the bill blocks any use of the waters that could interfere with drilling. And, finally, to add a constitutional insult to all that coastal injury, it enables the Secretary of the Interior to threaten to withhold funding from States if the Secretary thinks Congress is interfering with oil drilling. This bill is breathtaking in its overreaching.

Whether you are for or against offshore drilling, you ought to be against this bill. Once your constituents find out what really is in it, you will have a lot of explaining to do.

Let me add that the manager's amendment does not do anything to alleviate my concerns. We studied it to the best of our ability. It was only available last night at midnight, and we have studied it. The amendment leaves in place all the unprecedented provisions I just mentioned. It leaves in place at least one new mandatory spending program. It even adds a new penalty to coerce States into opening waters to drilling.

The manager's amendment is also rife with financial gimmickry. It actually increases the revenues denied the Federal Treasury over the long haul. It just delays the phase-in of the revenue sharing to States, but it raises the maximum amount States will get with no requirement, absolutely none, to report how the money has been used.

So this is not a very good bill. As a matter of fact, it is my conclusion that it is a bad bill, even with the manager's amendment. It would make John D. Rockefeller blush.

Mr. POMBO. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Chairman, I rise in strong support of this legislation.

I have represented a southern California coastal district for 18 years. There has never been an oil spill caused by an offshore rig, and we have had offshore oil drilling off my district for decades. The one spill we had that polluted our coast came from a tanker.

Those who vote against offshore oil development are basically making us more dependent on tankers, which are dramatically more likely to spill oil upon our shores.

As a scuba diver and one of the two active surfers in Congress, I suggest to those opposing offshore oil development, get real. What you are advocating will make us more dependent on tankers. Thus, we will are more likely to have oil spills. Cloaking your positions in environmental rhetoric does not make it so. You are making us more likely to have oil spills by making us more dependent on tankers.

Support offshore oil development and a strong, independent American energy sector.

Mr. RAHALL. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. PALLONE), a valued member of our Resources Committee.

Mr. PALLONE. Mr. Chairman, I rise in strong opposition to this bill.

House Republicans have called this week their so-called ''energy week,'' but the best they can do is offer up the same tired old refrain of drill, drill, drill. Unfortunately for them and for the American people, simply allowing more drilling is going to do virtually nothing for gasoline or natural gas prices and nothing to move us towards a sustainable energy future.

Now, proponents of this misguided legislation will accuse those of us fighting the bill of only saying ''no'' and not having any solution of our own, but that is a false choice. They are saying that we are either for drilling or we are for absolutely nothing.

The truth is that many of my colleagues and I have repeatedly offered solutions to our energy problems, only to have them rebuffed and not brought to the floor for a vote. Many of these solutions would not be germane to today's bill but are critical to solving our energy problems. I am talking about increasing fuel economy standards for our cars, introducing renewable portfolio standards, and strengthening energy efficiency standards for buildings and appliances.

I want to say, Mr. Chairman, I am in my district every week talking about energy efficiency, fuel economy. We just had a school opening, and we talked about how in Highland Park in my district we have a new school building that has geothermal fuels, that has new lighting that has solar power.

Just a week ago, I went to Middlesex County, one of my counties, at the Rutgers Cooperative Extension Station, and we just showcased new solar panels. We talked about all the things that can be done to create more energy efficiency in office buildings and residential buildings.

The State of New Jersey is providing grants that the Federal Government does not have for residential users to basically provide more energy efficiency.

So the fact of the matter is the Democrats and those who oppose this

bill have been out there offering solutions. You just do not let us bring them up.

The choice that we are making today, whether or not to pass this bill, also comes with a serious price tag that we have already talked about. According to the Minerals Management Services' estimates, the revenue sharing in this bill, along with the giveaways to the oil and gas companies, would cost taxpayers $74 billion over 15 years, just increasing the debt. That is what the Republicans do. They increase the debt.

Now, what is worse is allowing drilling in sensitive offshore areas with endangered coastal economies in States like New Jersey.

Speakers on the other side have said that they are worried about jobs. Well, I am worried about jobs in my State. The beach season, the summer season has begun in my district. When we had problems in the late 1980s and our beaches were closed for other reasons, we had billions of dollars, hundreds of thousands of jobs that were lost, and do not tell me that you are not going to have a spill. You say, oh, we are going to drill for natural gas and we are not going to hit oil. That is garbage. You have no way of knowing that.

You also make statements about how a State can opt-out. Well, my State is a small State. How do we opt-out when New York or Virginia have a spill and it comes to our shores? This is going to devastate our coastal environment.

Mr. POMBO. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. BROWN).

(Mr. BROWN of South Carolina asked and was given permission to revise and extend his remarks.)

Mr. BROWN of South Carolina. Mr. Chairman, I rise today to encourage my colleagues to support the Deep Ocean Energy Resources Act of 2006.

I represent over 75 percent of the coastline of South Carolina, which is some of the most beautiful beaches in the world. I have worked closely with Chairman POMBO to ensure that the interests of coastal communities are addressed in this bill.

The revenue share portion of this bill going to coastal communities will help these communities fund important projects such as beach renourishment, infrastructure construction and wetlands conservation.

I thank Chairman POMBO and my fellow Resource Committee colleagues, Congressman BOBBY JINDAL and Congressman JOHN PETERSON, for their hard work in bringing this bill to the floor today.

I believe that this bill is an important part of the solution to fix the energy crisis we are all facing today in America. It is also an important step to stop America's dependency on foreign sources of oil. Becoming more energy self-sufficient is not only an economic issue but also an issue of our national security.

Mr. RAHALL. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. GEORGE MILLER), the ranking member on the House Committee on Education and the Workforce.

Mr. GEORGE MILLER of California. Mr. Chairman, I thank the gentleman from West Virginia for yielding.

Mr. Chairman, there are many reasons to oppose this legislation. You can begin with the fiscal reasons. Just last week, we had the Republicans on the floor pleading for line-item veto so the President could help them cut deficit spending and cut spending. The President now says he opposes the spending in this bill, but they are not going to take that into regard this week. They are going to go ahead and spend and going to go ahead and increase the deficit. So, apparently, they just cannot stop themselves from doing that.

But a more important reason is this. It is because of the threat to the coast that this bill presents and the threat to the coast that is not necessary. If the rest of the Nation would just follow California, we banned offshore oil drilling a long time ago, but we also recognized that we had an obligation as a State to meet our energy needs and not be as dependent on others as we were at that time. What you now see is California is the most efficient energy user per capita in the country.

But that is not enough. We are going to go beyond that. The Public Utilities Commission is putting in a conservation program and energy efficiency program that will end up being a positive payback for the consumers. They will save money at the end of the expenditures of about $2 billion.

We will, in fact, increase the use of biofuels dramatically. The governor has asked for 180 million gallons of biofuels I think in 2010, and we are going to meet and exceed that level.

So there are these alternatives that dramatically reduce our dependence on fossil fuels, and this is really where we ought to be going.

This is a continuation of a philosophy that has gotten this Nation into so much trouble, and that is, while we use 25 percent of the world's fossil fuel resources and we hold 3 percent of the reserve, that somehow we can drill ourselves out of that problem. It is a continuation of a policy that was in vogue and popular and maybe even right-headed in 1950 and 1960, but everything we have learned since then tells us that we cannot continue in this direction.

So we tried to believe that we could drill our way out of our problem in Alaska, and now we are going to some of those valuable coastlines and risking that coastline on the idea that, again, we can continue to drill our way out of it.

Because the people of this Nation do not want it, this bill has a perverse set of financial incentives to States and localities to try to make money talk, as opposed to the people of that State, to try to get the political establishments to overwhelm the people who have spoken in the Carolinas and Florida and California and Oregon and Washington and elsewhere in the country against this policy. So now we are just going to see if we can bribe them into changing their mind. This is not about an energy policy. This is about an etiology.

Finally, the other reason to do this is that this legislation drains money from every other State, money that would be available to the Federal Government for deficit reduction or for whatever purpose, and throws it into a couple of States that become the winners of this great offshore oil lottery.

This House ought to reject it on budget grounds, on environmental grounds, on energy grounds and on simply a vision of the future.

Mr. POMBO. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana (Mr. JEFFERSON).

Mr. JEFFERSON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, this bill is not about alternative fuels or about the environment or about any of the things we are hearing about here today. It is about the price of natural gas and getting it down in our country. It is about fairness to the coastal States that are now providing so much of the resources for this country that are not getting their fair share of the resources back. It is about inclusion and including folks in this industry who are not yet included and have not had the trading to be included or the education to be included.

Right now, natural gas prices are $12.68 per million btu, $4.85 in China, $1.21 in Iran and 95 cents in Russia. We cannot compete with those prices. This high natural gas price is devastating our industries; and, therefore, we are losing jobs across the country in manufacturing and in the petrochemical industry in my State and around the country.

Eighty-five percent of the Outer Continental Shelf is off limits for natural gas production. That is wrong.

Louisiana is America's energy corridor. Approximately 34 percent of the Nation's natural gas supply and almost 30 percent of the Nation's crude oil comes through our State. We need to have the right kind of support to continue providing this help to our country.

□ 1530

Mr. RAHALL. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. I thank my colleague for yielding.

Mr. Chairman, I rise in the strongest opposition possible to this legislation which will erase 25 years of critical environmental protection. Only a month ago, the House rejected an attempt to lift the ban on coastal drilling, and yet today we are being told that the solution to our addiction to oil is more oil; that the oil companies who are reaping record profits need more relief from Federal regulation, and that more of our public lands need to be sacrificed for their bottom lines.

This bill should be entitled Nothing is Sacred Any More. This is an outrage.

The wheels have come off here. This bill not only hurts us in terms of the fiscal condition of the country; it gives the wrong message. It sends a terrible message to people in States that have spoken out over and over and over again. Their voices will be ignored. The vote will be ignored.

The Republican Governor of California is vehemently opposed to this. This is an insult to local governments, to State governments, and to anyone that wants to land on the side of the future for our country and not the past.

Mr. POMBO. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. COSTA).

Mr. COSTA. Thank you very much, Mr. Chairman. I rise to support H.R. 4761. I would also like to thank Chairman POMBO and Ranking Member RAHALL for their efforts on this legislation.

This bill is an important step toward achieving the goal of further developing our domestic energy resources. We have for too long put vast oil and natural gas reserves off limits to exploration and production, as The Washington Post editorial stated this week.

Our domestic reserves are not limitless, and this is a first step. But we must take other steps, such as increasing conservation, developing an ethanol industry, and increasing CAFE standards if we are to make our country safer by cutting our reliance on foreign oil.

Despite the previous efforts of Congresses, our addiction to foreign oil, as the President stated, is greater today than ever before. That dependency is a threat to our national security, and we must address that threat.

I would also like to take this opportunity to commend the efforts of the author and my friend, Representative CHARLIE MELANCON, on this legislation. It is clear that Congressmen JINDAL and MELANCON are putting the interests of their constituents and the American public first as opposed to the interests of partisan politics.

Please vote for H.R. 4761. I think it is a step in the right direction.

Mr. RAHALL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Florida (Mr. DAVIS), who year after year after year has been a true leader on this issue and on its environmental effects.

Mr. DAVIS of Florida. Mr. Chairman, today we are debating an issue that is not just important to the country but it is deeply important to my home State of Florida: offshore oil drilling.

For the last decade, and I hope and expect for decades to come, the Florida delegation has stood together to protect Florida on this critical issue. Why? Because our beaches, our coastline is critical to who we are as Floridians. It is what brings us to Florida. It is what keeps us in Florida. It is what brings many of your constituents to Florida, particularly this time of year. And we do not want to sacrifice our beaches, our coastline, our environment for oil and gas drilling that threatens our environment.

Many of the Members of Congress here today from the States that generate revenue from oil and gas have said this is a debate about jobs. It is a debate about jobs. Eighty-eight million tourists visited our State last year. The threat of spilling off the coast of Florida could be a disaster to our reputation.

Last year, during a tropical storm, not even a hurricane, a tropical storm off the coast of Louisiana, there was a spill. A spill such as that off the coast of Florida would be a disaster to our environment, to our economy. And what is at stake here? Just a few months of natural gas and oil.

This is not the price Florida should pay. We should be debating here today raising fuel-efficiency standards, investing in research and development for the next generation of alternative and renewable energy. We should not be sacrificing the environment, the economy of the State of Florida for just a little oil and gas.

This Congress missed a very important opportunity to strike the balance. I have introduced a bill here in Congress, it is the Permanent Protection For Florida Act, which would have allowed for oil and gas drilling safely off the coast of Florida, safely off the coast of the Panhandle. I went to the Rules Committee and suggested that this bill be made in order as an amendment. The majority refused.

We need to strike a balance here, a balance between minimizing our dependency on foreign oil, using the resources we have, but protecting our resources. Florida's beaches are not just a State resource; they are a national resource, and they are a national treasure. They are part of who we are. And we will stand up and protect our environment, our economy, and our beaches.

Until this Congress strikes the balance, I would urge the rejection of this bill.

Mr. POMBO. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. PUTNAM).

Mr. PUTNAM. Mr. Chairman, I thank the gentleman for yielding.

Much has been made about the role of Florida in this debate because Florida has been offered a tremendous opportunity to participate in this debate as a result of the leadership of Mr. POMBO and Mr. JINDAL.

There are things about this bill that give Florida protections she does not enjoy today. Currently, the entire east coast of Florida is unprotected. This bill protects it. Currently, the Keys are completely unprotected. This bill protects them.

There are those who say that 100 miles is too close, who also cosponsored a bill in 1997 that would have allowed it right at 100 miles. There are those who say that the legislature shouldn't have a say in what their State does or does not do, who proudly served in the legislature, many times in leadership positions.

This is not a perfect bill. No bill that ever leaves here and heads to conference is. But it gives Florida protections she does not now enjoy. It gives Floridians control over Florida's coasts, where the chances of Florida having Florida's future in Florida's hands are 100 percent as opposed to what they are in this Congress, where they make up 25 out of 435.

It gives Floridians concrete proof, written-in-stone protection from our Department of Defense and the military mission line, thanks to the leadership of Mr. YOUNG and Mr. MILLER working with the committee to insert into this bill, along with Mr. BOYD, the definition of that military mission line, which now further aligns this House bill with our two Florida Senators' proposal.

This is a huge step forward from where we are. And the bottom line in this debate is that if we do nothing, unlike most other issues that come before this House, if we do nothing, bad things do happen. Because the moratorium that Floridians have slept under the protection of for the last 25 years begins to expire as soon as 2007, and it continues on in the expiration into 2012 when drilling will be far closer to our coast than anyone wants in this Chamber.

So I commend the gentleman for his leadership. I urge people to support the bill, I urge them to give every consideration to the Bilirakis amendment, and let us move this thing forward.

Mr. RAHALL. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. FARR).

Mr. FARR. I thank the gentleman for yielding.

This bill is an ignorant bill. This bill is a greed bill. It ignores getting away from the oil addiction. If oil is the street drug addiction, why at a time of energy independence are we increasing the addiction? You don't give alcoholics more alcohol to get them cured.

It is a greed-producing bill. Mr. MARKEY pointed out that 80 percent of the drillable Federal land is already in the oil companies' hands.

The bill steals State and local control. Why would the author go against his own State legislature, his own Governor, who opposes this legislation? Why would the President sign a bill such as this, which has a direct conflict with our own U.S. Commission on Ocean Policy which recommended that oil-gas leasing revenues be dedicated to ocean and coastal resources? There is no dedication in this bill.

This bill is a financial and environmental disaster. A ''no'' vote allows improvement.

Mr. POMBO. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska (Mr. OSBORNE).

Mr. OSBORNE. Mr. Chairman, most Americans believe that we need to increase our renewable fuels and decrease

our dependency on foreign oil. And you may say, well, what does this have to do with the bill before us? The reason is that 30 to 50 percent of our corn crop is based on fertilizer. If you don't have fertilizer, it reduces dramatically the amount of corn you produce and the amount of ethanol.

Last year, we produced 4 billion gallons of ethanol in the United States, and 1.6 billion was directly attributable to fertilizer. The problem is that you can't produce fertilizer if you don't have natural gas. We have some of the most expensive fertilizer in the world and the highest natural gas prices.

We absolutely have to get this under control. We have tremendous supplies, but we can't get at them because of the regulations. So this makes sense for our economy, and it certainly makes sense for our farmers, our agriculture, and our renewable fuels.

I urge support of this bill. It is absolutely essential for our economy that we take action at this time. I support H.R. 4761.

Mr. RAHALL. Mr. Chairman, how much time remains on both sides?

The CHAIRMAN. The gentleman from West Virginia has 8 minutes remaining, and the gentleman from California has 18 minutes remaining.

Mr. RAHALL. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Ms. CORRINE BROWN), who represents the coastlines of Florida.

Ms. CORRINE BROWN of Florida. Mr. Chairman, during the State of the Union message, I thought I was having a flashback. I thought I was watching ''Dallas'' and J. R. Ewing was talking to us.

But, no, I was actually listening to the President of the United States, George W. Bush; and he was saying that we were hooked on oil. Funny. We are hooked on oil. Yet that was the same day that oil companies announced the largest profit in the history of the United States, $39 billion.

Yes, folks, we have got a problem, an energy problem. But let us not compound it by destroying Florida's coasts. In the past, the Florida delegation has always worked together, unified, to protect the coast of Florida. As former Governor and Senator BOB GRAHAM used to say, if you live long enough, you will be a Floridian.

Eighty percent of the Floridians do not support drilling off the coast of Florida. Vote ''no'' on this horrible bill.

Mr. POMBO. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana (Mr. MELANCON).

Mr. MELANCON. Thank you, Mr. POMBO.

Mr. Chairman, as I have expressed earlier and on numerous occasions, this oil and gas exploration is not what it was 50 years ago when it started offshore. Back then, yes, they discharged off the sides of the rigs. They didn't worry about the environment.

In these days and times, not only is the technology so much better, but so is the enforcement of all the environmental laws. That includes offshore oil drilling.

It has been a boon. And I tell my friends from Florida, you are putting artificial reefs out there that will bring fish. And if you think you have got tourists now and you think you have got good fishing now, these oil rigs will not hurt that whatsoever.

I wish we had the beaches that you have. We don't. We have lost our beaches because through the years Louisiana has provided the oil and gas, approximately, these days, 30 percent of what is consumed by this Nation. And for decades we have received zero for our efforts on behalf of this country.

After Katrina, after Rita, hundreds of square miles of Louisiana disappeared. It is gone. The only way we will ever be able to revive it or bring it back is to rebuild and restore our coastal marshes. Those coastal marshes are also responsible for about 25 percent of the seafood consumed in this country.

That estuary, that marsh, that coastal land that we have lost, for years this Congress and previous administrations have put into bills ''wants.'' Wants. We have been asking for years for help for things we need. And what we need is coastal protection. What we need is to preserve and bring back our coastal areas. What we need is barrier islands. What we need is to protect the Louisianans that produce the oil, the gas, and the fisheries for this country.

I stand here today, as I have on all of my votes, and say that this bill provides for those States that do not wish to drill, that do not want to contribute to the national effort to make us energy independent. You have an option to not do that, and that is called States' rights. That is one of the strongest parts of this bill that I think solves, or should solve, the problem or the conscience of those people who represent Americans who aren't fed up yet with $3-plus gas, who aren't fed up yet with the cost of natural gas, and who, apparently, must not be reading the paper or watching TV, if there are any like that.

□ 1545

I am so glad to see that we brought this bill to the floor. It is historic, in my mind. Louisiana, ladies and gentlemen, has been waiting decades for this help.

Mr. RAHALL. Mr. Chairman, since the time is so tilted, I would hope that my chairman from California would use more time before I yield my next amount of time.

Before I do that, I do want to commend the gentleman from Louisiana who has just spoken. Although we deliver on this issue, he has done his State and his district superbly. He has been patient, persistent and has worked with me on this issue, as has the chairman, I might add. I do want to salute Mr. MELANCON for the tremendous work and patience he has had on this legislation.

Mr. POMBO. Mr. Chairman, I yield 4 minutes to the gentleman from Hawaii (Mr. ABERCROMBIE).

(Mr. ABERCROMBIE asked and was given permission to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Chairman, it is an opportunity for me to thank those who helped put this legislation together. I don't want to engage in a refutation of what in some instances can only be termed accusations with respect to the bill. I don't want to reply in a manner which sets us up in a confrontational way but rather to try to put some perspective on this issue, as I see it, as a member of the Resources Committee. I would rather talk about what the bill does do, rather than what its inadequacies might be.

I got started in this bill because of my response to the arguments made by Mr. PETERSON in committee. We pay attention in committee. Committee hearings and briefings are what gives us the opportunity to educate ourselves, and that is where I came to the table.

I didn't know enough about this issue, and I learned about it. What I discovered was, particularly where natural gas was concerned, that we needed to have it. Natural gas is the alternative energy available to us now. It is the bridge to the alternative energy future that we want.

None of us are opposing any of the alternatives that have been put forward today. We are saying we have to get there. In order to do that, we have to recognize that lifting the moratorium on the Outer Continental Shelf is the way to do it. It can be done safely. It can be done responsibly.

Issues have been made about revenue. You can't get any revenue when you don't have it coming in; 100 percent of nothing is nothing. Arguing about where the revenue is going to go, whether it is the States in some formula, whether it comes back to the Federal Government, as the Congressional Budget Office now argues the bill does, is something that we can address in time to come when this bill leaves the House and goes to the Senate and hopefully comes back for a conference.

No one is dismissing any of the legitimate concerns that have been made by those who are now in opposition to the bill. We can take all those issues up.

We have labor support now. Construction trades are for the bill, because we are going to create jobs.

When we talk about revenue, numbers have been tossed around and up to today as high as $600 billion. That money is leaving the United States. That money is not here for investment in jobs in the future of our country.

If that is in fact what is at stake, if those billions of dollars are at stake, let us put it together in a manner that keeps jobs and that money in this country. Let's seek energy independence in this Nation.

The time for natural gas exploration and extrication of energy resources in the Outer Continental Shelf has come. Simply to cite 25 years of saying no, no, no does not solve our problem.

So I ask those who have some reservations about today's bill, move this bill forward. We will take up all the considerations that you have raised. Let's move to energy independence in this Nation. Let's move to a time when we can say that we met the responsibilities of our time.

Mr. RAHALL. Mr. Chairman, I yield 1 minute to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Thank you.

I appreciate the tone of my friend, the gentleman from Hawaii, but I think it is time for us, instead of having a collection of proposals that are basically an attractive grab bag politically engineered that has some attractive provisions, there is a provision in there that is very attractive to me that deals with rural education.

I think it is important that, instead, we deal with this in a thoughtful, comprehensive fashion that doesn't entail the costs of hundreds of billions of dollars off the top, that doesn't have a lop-sided process in favor of drilling pristine areas and biased against protection, making it harder to protect.

There are technical items in here about calculation of oil shale royalties. These are provisions nobody in the House of Representatives fully understands. That bears more scrutiny.

The notion of allowing oil equipment to remain out there in the ocean and not being removed under current law is not necessarily of an environmentally benign era. Environmentalists are very concerned. I would reject this politically engineered energy grab bag and work together on a policy that is safe, economical and will happen sooner.

Mr. POMBO. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida (Mr. KELLER).

Mr. KELLER. Mr. Chairman, I rise in strong support of this bill.

Mr. Chairman, opposition to this bill on environmental grounds cannot be justified.

First, the industry safety record for exploration is impressive. For example, oil rigs in the western half of the Gulf of Mexico endured Hurricane Katrina without any spills.

Second, according to the Washington Post editorial board, not allowing any drilling whatsoever past the 100-mile mark may increase the danger of oil spills, because it means more incoming traffic from oil tankers, which are riskier than oil rigs. As you recall, the Exxon Valdez accident was an oil tanker, not an oil rig.

It is for these reasons, among others, that Governor Jeb Bush of Florida has endorsed this bill, as has the Washington Post editorial board. I urge my colleagues to vote yes on this legislation.

Mr. RAHALL. May I have the time again, please?

The CHAIRMAN. The gentleman from Virginia has 6 minutes remaining. The gentleman from California has 10½ minutes.

Mr. RAHALL. Mr. Chairman, I yield 1½ minutes to the gentleman from Maryland (Mr. BARTLETT).

(Mr. BARTLETT of Maryland asked and was given permission to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Chairman, today oil is above $70 a barrel. The world has either peaked or will very shortly peak in oil production. We will, of necessity, have to transition to renewables.

I am not going to vote for any drilling anywhere until we have a rational plan for transitioning to renewables. We have now run out of time and run out of energy. Additional drilling will buy us a little time to give us a little energy, but I will not vote for that until we have a rational plan.

Secondly, Mr. Chairman, we are now leaving our kids the largest intergenerational debt transfer in the history of the world. In all conscience, can we also deny them the oil and the gas that they are going to need for their civilization?

There is a true moral element to this. I have 10 kids, 15 grandkids and two great grandchildren. I want to leave them a little oil, please. Vote ''no.''

Mr. POMBO. Mr. Chairman, I yield 5 minutes to one of the chief authors of the legislation, the gentleman from Pennsylvania (Mr. PETERSON).

Mr. PETERSON of Pennsylvania. I thank the gentleman. I want to thank him for all of his work, and I want to thank all involved in the staff, because this is not an easy process, but it is one that I think has brought us to this position.

Mr. Chairman, what we are talking about today is helping America compete for the first time in the history of this country. We are not the only big dog in the world. We must compete with the Chinas, the Taiwans, Indias, who have a plan to take every business that manufactures and produces away from us.

Our steel companies have the highest energy prices in the world because we have the highest gas prices. Our wood and paper product companies have the highest energy costs in the world because of our natural gas prices. Polymers and plastics not only use a lot of energy, but a lot of energy is consumed in the making of it. Petrochemicals, 55 percent of their cost is natural gas, and in America they pay the highest price in the world. Why? Because we locked it up.

We don't want to drill for it. That is the only way you produce natural gas, is to drill a hole in the ground, put a steel pipe in, and let a harmless gas out that is one of the most valuable commodities in the world.

Fifty percent of our fertilizer companies are now on foreign shores. We will soon have none, and our farmers will rely on Russian fertilizer, if they can get it and they can afford it, to grow the corn to make the ethanol.

I talked to a big glass company in Pittsburgh, PPG. He said, I want to stay here, I want to be in Pittsburgh, but I can't compete.

Last year's natural gas prices averaged $9.50. Five years ago, they were $2. That is a five-fold increase. Those are wholesale prices. This is not about oil companies. This is about America competing. This is about homeowners being able to heat their homes. It is about small businesses who consume a lot of energy to stay in business and make a profit. It is about the blue collar workers that we ought to be protecting and representing in this country, the blue collar workers that want to raise their families and have a decent vehicle and send their kids to college.

Someone said this is a budget breaker. For every $10 billion that comes in, $5.8 billion will stay in the Treasury. How is that a budget breaker? Every $10 billion, $5.8 billion, they are talking about that because the environmental argument doesn't wash. If our shores are threatened, I wouldn't support this bill.

I have enjoyed the Florida beaches and the North Carolina and South Carolina beaches as much as anyone. Folks, they have been producing on the Outer Continental Shelf in Canada forever. They have drilled in Lake Erie, gas only, since 1916. Twenty-some hundred wells they drill every summer.

Ireland has good beaches; Norway, an environmental country; UK, Netherlands, Scotland, New Zealand, Australia. Folks, we are the only society that has said we are going to lock up our resources. We are going to buy them from foreign countries. We are going to buy them from countries that don't support us. We are going to pay high prices. We are going to enrich them so that they can own us. That is the path we are on.

I am for renewables. Natural gas is the bridge to renewables. Natural gas is a forerunner to hydrogen. The hydrogen cars will have a natural gas tank. One-third of our auto fleet could be on natural gas at these prices, and we could move almost 3 million barrels a day.

Folks, this is about America competing. For the first time, we have countries who can clean our clock economically, and they are trying to. Are we going to give them an energy advantage? Are we going to give our jobs to China and Taiwan, hand it to them, because energy is a third there of what it is here, Russia a fraction, South America, 1.5? We will be buying our bricks and glass from Trinidad.

Folks, this is about workers in America who want to have a good job, and affordable energy is the best thing we can do for them.

Mr. RAHALL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Florida (Mr. MEEK).

Mr. MEEK. Mr. Chairman, I guess I want to quickly say that as someone

that is from Florida, that does know something about coastline and intracoastal and who does know something about the economy that we count on in Florida, we have people who travel throughout this world who come and spend their dollars in this United States because this Congress and the United States of America protected our beaches over the years.

Now we know that oil companies are very, very pushy right now, and they want all that they can get right now, in the moment. But, you know, the thing may change respectively in another 2 or 3 months. This wouldn't even be a discussion.

□ 1600

We are in Florida. We are asking for no drilling whatsoever. We are asking for alternative fuels and real investment and making sure that we have flex vehicles, making sure that we can go on ethanol, making sure that we can invest in the heartland and the Midwest versus the Middle East.

We are all for energy independence, but I can tell you, not on the backs of our environment, not on the backs of our economy, not on the backs of individuals that have fought before us in this House of making sure that we can at least keep some of our beaches oil free and not have what some would want us to have as it relates to special interests.

I respect the Members on the other side of this issue, Mr. Chairman, but I think it is important for us to realize that it is not worth going into these sensitive areas.

Mr. RAHALL. Mr. Chairman, I yield the remainder of my time to the gentleman from Massachusetts (Mr. MARKEY), a very valuable member of our Resources Committee, and the ranking member on the Financial Services Committee.

Mr. MARKEY. Mr. Chairman, right now in America, 80 percent of all of the Outer Continental Shelf area where the oil and gas is already open to the oil and gas industry. The only thing that has stopped the oil and gas industry from going to much of the area in the Outer Continental Shelf where 80 percent of the oil and gas is, which we all agree they should be able to go to, today, under the law, with no changes, is that the price of oil was $30 a barrel. But at $70 a barrel, Shell and ExxonMobil are going there. So what is the debate about? Well, yeah, I don't want them drilling off of Massachusetts, in Georgia's bank, and the Floridians don't want them off their shore. But that is really not what it is all about.

Right now, according to the Minerals Management Service, we can expect $600 billion to go to the Federal Government for drilling right down here in Federal land on land which is already open to the oil companies. And that $600 billion is used and will be used to pay for our troops in Iraq, to pay for the education of poor children, to ensure that we can pay for Medicare benefits for senior citizens.

But what the majority is doing, what the Republican administration is doing is they are going to take that $600 billion that would have gone to the Federal Government, and they are moving it down here where only four States are going to get the benefit of it. Only those four States are going to be the beneficiaries.

Now, if you come from one of those four States, Texas, Louisiana, Mississippi or Alabama, you vote for this bill and put out a press release tonight. You tell everyone back in your districts in those four States, we were able to convince the United States Congress to give us $600 billion today.

And by the way, Huey Long used to say, ''every man a king.'' Well, every man and woman will be a king in Louisiana after this. And God bless them if they can pull it off today.

This is the king of all earmarks. It will take 200 amendments a day from Mr. FLAKE for the next 50 years to get back this $600 billion. And the Republicans, of course, will oppose the cuts that he will propose out here on the House floor as well. So that is what it is all about.

It is about this shifting of money from all of the red States, 46 States, down to four States. And that is the game that is going on, because the oil industry is already drilling in the Gulf on Federal lands that we all agree they should go to today. And that is why the Minerals Management Service, the Bush administration says that $600 billion will be lost to the Federal Treasury because over 80 percent of all of the revenues that are going to be generated from this proposal will go there.

And so, ladies and gentlemen, if you are out there listening, this is, without question, also, nothing that can happen in your State that will make up for the loss of this $600 billion. If this was any other bill, we would be having a huge fight over what the formula should be for who gets this money. But instead, in one fell swoop, the Republicans are moving $600 billion from 46 States into four States.

Do not vote for this bill. This is a fiscal disaster. This money should remain in the budget for the troops in Iraq. It should remain in the budget for Medicare recipients. It should remain in the budget for the poor children of our country.

Mr. POMBO. Mr. Chairman, I yield myself the balance of our time.

Well, it unfortunately hasn't been that enlightening of a debate because we have had a number of people come to the floor and debate things that either weren't in the bill or had nothing to do with the bill. Fortunately, they decided to close with Mr. MARKEY, who debated something that had nothing to do with our bill, which happens.

The truth of the matter is, when it comes to the cost of the bill, it is a net revenue increase to the Federal Government, $2.3 billion over 5 years, $900 million over 10 years. That is what the bill does. So all the numbers you heard about, 600 billion, 800 billion, how many trillion, they pulled them out of the air. The CBO score on the bill is $2.3 billion over 5 years in increased revenue to the Federal Government.

We also heard that 80 percent of the OCS is already leased. Eighty percent. That is strange because 85 percent of it is off limits. Eighty percent of it is off limits. And yet they claim 80 percent of it is already leased.

Talk about fuzzy numbers? That is about as fuzzy as it gets.

We also heard somebody come down here a little while ago, and I love this, oh, we are going to cure it with CAFE standards. We are going to raise CAFE standards. That is how we are going to cure our energy problems.

Let me let you in on a dirty little secret on CAFE standards. U.S. auto makers manufacture cars today that get 35, 40, 50 miles to the gallon. What they want to mandate is not that car companies make cars that get 50 miles to the gallon. They want to mandate that you have to buy them. They want to mandate that their constituents have to buy those cars because they are available today and they are not buying them. So they want to force them down your throat because you won't buy them.

Let's talk about energy policy. You know what our energy policy is in this country? Our energy policy is no, we are not going to develop domestic energy, period.

For 30 years, we have had the same people coming down here making the same arguments as to why we can't develop a domestic energy source. And it doesn't matter if it is natural gas or oil or hydro or solar or wind or what it is. It makes no difference. They are still a no. There is always a reason to be no.

We had the Alaskan National Wildlife Refuge, and they vote ''no.''

We had a bill last year on the floor that expanded wind, solar, geothermal. They voted ''no.'' We have had the opportunity five times to vote on an energy bill that put money into alternative energy, renewable energy, conservation, and they voted ''no.'' No, no, no. No domestic energy, nothing for our constituents, for our businesses, for our economy.

And what was the result of all of that? The result is that in the early 1970s and the mid-1970s, when we had our first energy crisis and OPEC cut us off and we had gas lines, we were dependent on foreign energy for 33 percent of our energy. In their 30 years of policy, today we depend on foreign countries for 66 percent of our energy.

You can't be no on everything. Everything that has been proposed, no matter what it was, the answer was no.

Now, you might think, well, they must have an alternative. There must be something else they want to do. Well, maybe it is, but they have failed to tell anybody, because they oppose everything.

This bill was a compromise. This bill was a compromise between the 24 different bills that have been introduced

in this Congress alone on offshore gas development, oil and gas development. Twenty-four bills. The two major bills, one was introduced by Mr. PETERSON and Mr. ABERCROMBIE, and it dealt mainly with natural gas. The other one by Mr. MELANCON and Mr. JINDAL. And we sat down and we tried to work out the differences between those bills.

And, obviously, the coastal States have something to say about what happens off their coasts. I don't care how many times you come down here and rant and rave, the coastal States have something to say about what happens on their coasts. And we had to include them in this. We had to include them in the negotiations and them in the debate.

And the decision was made that for the first time in our history that we would give the States, the coastal States, the ability to protect 100 miles off their coast. It would be up to the State legislature and the Governor for whether or not they wanted any kind of development. If they chose not to, they wouldn't get it. If they chose they want it, then it would be, the opportunity would be there for them to do it. And if they chose to, they would share in the revenue, exactly the way we do on onshore public lands. Exactly the same way.

I am telling you, it is time to stop saying no. It is time to move forward with energy policy that makes sense for all of America, not just a small group of special interests who want to destroy our economy.

Mr. STARK. Mr. Chairman, even if I supported offshore drilling—which I don't—I certainly wouldn't do it through this fiscally reckless and convoluted bill.

The Domestic Energy Production through Offshore Exploration and Equitable Treatment of State Holdings Act makes it far easier for states to allow drilling than to prevent it. It bribes states into allowing offshore drilling by increasing their share of royalties from 27 percent to 50 percent, at a cost to the federal government of $600 billion over 60 years. If a state takes no action to facilitate natural gas drilling in the immediate year or oil drilling in the next three years, then this law would open its waters for drilling. In order to maintain a moratorium on drilling, a state legislature would have to vote to prohibit drilling every five years. How many states will be able to resist billions of dollars in exchange for doing nothing?

H.R. 4761 also guts the environmental review process and makes all other uses of the Outer Continental Shelf subordinate to drilling, even in states than continue to ban drilling. According to the bill, ''No Federal agency may permit construction or operation of any facility, that will be incompatible with. . . oil and gas or natural gas leasing.'' So if your state wants to operate a marine sanctuary, it better pass the Pombo oil compatibility test.

All this, and for what? Drilling is already allowed in areas that have 80 percent of offshore oil and natural gas reserves. This bill simultaneously endangers our coasts and delays an urgently needed transformation to a clean energy economy. I vote no to yet another Republican attempt to maintain our oil addiction.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Chairman, because I firmly oppose drilling for oil off the coasts of Florida, I believe that it is critical that a permanent, state-controlled ban on drilling around the entire state becomes law as soon as possible. This is why I believe the Pombo-Putnam compromise in H.R. 4761, the Domestic Energy Production through Offshore Exploration and Equitable Treatment of State Holdings Act of 2006, is essential in order to protect Florida's beaches.

The Pombo-Putnam compromise would allow Florida to prohibit drilling for 100 miles. In negotiations with the legislation's authors and in the House Rules Committee, I worked to further protect Florida's environmental treasures. As successfully amended, the compromise would also codify the ban on drilling within the ''military mission line''—approximately 234 miles from Tampa—to provide even more protection for Florida's west coast.

This plan, in many ways, is better than a bill that the Florida delegation almost unanimously cosponsored in 1997. That bipartisan legislation sought to prohibit any leasing or drilling within 100 miles of Florida's coasts, but did not include the added protection provided by the ''military mission line.'' It also lacked the factor of state control of the drilling issue. Former Governor Lawton Chiles also supported, in writing, a 100-mile ban on drilling.

Presently, Florida's only protections against offshore oil drilling reside with an expiring presidential promise (known as the ''moratoria'') and a year-to-year appropriations limitation amendment—a technical legislative maneuver that prohibits Federal funds from being used to conduct offshore leasing.

The stark reality Florida faces is not only the expiring ''moratoria,'' but also a strong push in Congress to allow drilling as close as 20 miles from our shores. On May 18 of this year, the House passed an amendment by a close 217–203 vote to prevent drilling as close as three miles from Florida's east coast and nine miles from Florida's west coast. Eight cosponsors of a bill (H.R. 4318) to allow drilling just 20 miles off Florida's coasts voted for this amendment because they felt that three miles was just too close. Had those eight cosponsors voted against that amendment, the vote would have been lost 211–209, and drilling would have been allowed as close as three miles from Florida's coast. Although they voted for this particular amendment, our colleagues assured us that they would vote in favor of legislation to allow drilling at 20 miles. Instead of relying on votes from over 400 Congressmen from outside of Florida, I support placing the fate of Florida's beaches in the hands of Floridians.

In 2005, Congressional passage of a plan was possible that would have permanently banned drilling within 125 miles of our beaches. On June 29, 2006, we learned, by a vote of 65 to 353, that a majority in Congress no longer supports a 125-mile ban. Last year's offer of 125 miles has now been reduced to 100 miles from our coastline. The next step could very well be a horrible 20 miles. As a strong opponent of drilling, I believe that our window of opportunity in Congress for a permanent ban on offshore drilling is closing. This is why I support the Pombo-Putnam compromise.

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Mr. UDALL of Colorado. I agree with President Bush that an America now ''addicted to oil'' needs to reduce its dependency on petroleum and other fossil fuels.

And as a chair of the Renewable Energy and Energy Efficiency Caucus, I strongly support legislation aimed at achieving that goal,

including greater investments in renewable energy sources (such as wind, sun, and biofuels) that also will boost our economy, create jobs, and revitalize rural communities.

Still, some additional development of the oil and gas resources of the Outer Continental Shelf (OCS) would be desirable to help meet our immediate needs, and I could support appropriate legislation to achieve that result.

Unfortunately, I do not think this bill is appropriate, and I cannot support it as it stands.

The bill's provisions dealing with the OCS are excessively complicated and costly, and the bill also includes a plethora of unrelated and unnecessary provisions, including changes in the rules for onshore leases and a section dealing with oil shale royalties that I think is particularly troublesome.

In the Resources Committee, I offered an amendment that would have made this a much simpler bill. It would have deleted all the complicated provisions dealing with State legislation, different rules for different parts of the offshore lands, and the disposition of Federal revenues—not to mention the section about oil shale. It would have replaced all that with a short and simple requirement for the Interior Department to lease within a year the lands within the so-called ''181 Area'' in the Gulf of Mexico.

My amendment was essentially identical to a bill—S. 2253—introduced by Senators DOMENICI and BINGAMAN with 28 cosponsors, from both sides of the aisle and already approved by the Senate's Committee on Energy and Natural Resources by a bipartisan vote of 16 to 5. Its groundwork has been laid by the Department of the Interior over a number of years, including completion of environmental reviews and consultation with coastal States and the public.

The amendment would have put only two limits on the requirement for leasing the 181 area.

First, it said that one part—the part east of a ''military mission line''—could only be leased if the Defense Department had agreed in advance that development there can be done without interfering with military activities. That responded to issues raised by Secretary Rumsfeld last year in a letter to the Senate's Armed Services Committee.

And, second, the amendment said there could be no leasing within 100 miles of the Florida coastline. That, of course, responded to concerns about potential adverse effects on that State's coastal areas.

According to the Mineral Management Service, the whole 181 area has about 930 million barrels of recoverable oil and more than 6 trillion cubic feet of recoverable natural gas. And the same agency's numbers show that even if the Defense Department were to say there would be no leasing east of the military mission line, there would still be about 800 million barrels of recoverable oil and nearly 5 trillion cubic feet of recoverable natural gas in the rest of the 181 area. Thus, my amendment would have cleared the way for rapid development of significant new supplies of energy. And it would have done so without the complications that caused the Administration to testify that they have ''serious concerns'' about the bill as it stands.

If our goal is to get more energy from offshore areas, I think it would make more sense to start with simple and straightforward legislation that's based on sound science and that has some strong support, including from a significant number of our colleagues in the other body.

My amendment followed that approach—but, unfortunately, the committee did not adopt it.

As a result, we must vote today on this seriously flawed bill which, according to the Congressional Budget Office, will ''increase net direct spending by about $900 million in 2007, $3.2 billion over the 2007–2011 period, and $11.0 billion over the 2007–2016 period.''

Those are sobering numbers. And even if the bill is revised along the lines proposed by some of its supporters, I expect any change in that estimate to be marginal, and will have no significant effect on the bottom line. I am not ready to support increased mandatory spending on the scale that will result from this bill while our country is at war and we are running persistent budget deficits that must be financed by increases in the national debt our children will be required to repay with interest.

And I think if anything CBO underestimates the potential costs of this bill to the taxpayers, because their estimate does not discuss all of the provisions not directly related to offshore leasing.

For example, while the estimate does discuss section 17's requirement that the Interior Department comply with lessees' requests for the government to repurchase and cancel leases (and compensate their holders) under certain circumstances, it does not note that the chances of such required payments are increased by section 19, which would impose a series of tight deadlines which the Interior Department must meet if it is to avoid a demand for compensation.

It could be that CBO isn't able to estimate how much money that might cost—and, even if they could, that estimate would not include other costs, including the likelihood that the deadlines will lead the Interior Department to put so much emphasis on speed that they will be less careful in the way they assess potential problems and will not ensure appropriate steps to mitigate those problems. This would not be good for the owners of private surface properties underlain by Federal minerals, for affected communities, or for the environment.

Further, the estimate does not even mention section 24, which would prohibit the Department of the Interior from adjusting the fees it charges for actions related to mineral leases. This applies to both offshore and onshore leases, and could result in requiring the taxpayers to shoulder the burden of paying for things that otherwise would be the responsibility of the mineral lessees.

And, CBO says nothing about Section 29, which deals with oil shale.

Colorado has lots of oil shale, so we have a special interest in the subject. But it's important for the whole country, as an energy resource, and it's important to all taxpayers because most of it, as Federal property, belongs to them.

That means that all the taxpayers have an interest in how it is developed and what return they the taxpayers, will get for this resource. And both those interests—in oil shale as an energy source and in fair treatment for the taxpayers—are reflected in current law.

Specifically, section 369(o) of the 2005 Energy Policy Act says the Secretary of the Interior will set royalties and other payments for oil shale leases at levels that will do two things—first, ''encourage development'' of oil shale; and, second, ''ensure a fair return to the United States,'' meaning to the taxpayers.

I was not a big fan of most parts of last year's energy bill, but I think that provision is good policy. So, I am troubled that part of section 29 of this bill would repeal it and replace it with what can only be described as legislative price fixing.

The relevant part of section 29 starts by telling the Secretary of the Interior to ''model'' tar sand and oil shale royalties on the royalty program now used in one Canadian province. But then it goes on to say that the Secretary would have to reduce the actual rates in accordance with ''a sliding scale'' based on a complicated formula based on the monthly average price of ''NYMEX West Texas Intermediate crude oil at Cushing, Oklahoma.''

I'm not an expert on oil prices, but it's easy to understand what is involved here. It's Congressional micromanagement in the form of legislating a formula for royalty rates.

It's an attempt to have Congress—not the Secretary—decide a very technical issue that could affect a lot of money. And it's the kind of thing that should raise suspicions in anybody who cares about making sure the taxpayers get a fair shake, especially because the supporters of the bill have made it clear that they put more emphasis on encouraging production than on ensuring that the Federal Government—and the local Governments with whom the revenues are to be shared—will get a fair return.

As the Interior Department proceeds to implement the current law, there will be ample opportunity for all of us to weigh in if we think the Secretary is not doing a good job in setting royalty rates. In the meantime, I think Congress should not try to set the rate through legislation.

That was why I opposed including a similar provision in the reconciliation legislation when the Resources Committee debated it earlier this year, and why I was glad when it was finally dropped from that legislation. But, like a bad penny, it turned up again in this bill—and is still the same bad idea as before.

So, in committee I offered an amendment to strike this attempt at long-term political price-fixing, and to replace it with the language of the current law that says the Secretary is to set royalties that will encourage development and ensure a fair return to the taxpayer. Unfortunately, that amendment was not adopted, either, which is another reason I cannot support the bill.

In fairness, I should note that the bill does include some worthwhile provisions. One example is the provisions aimed at closing OCS royalty-rate loopholes that have unduly reduced the return to the taxpayers. Another is section 23, which deals with support for accredited petroleum and mining schools, applied geology and geophysics programs, and individuals pursuing degrees in petroleum and mining engineering and related subjects.

Overall, though, the bill's good parts are so outweighed by its defects that I cannot support it.

Mr. VAN HOLLEN. Mr. Chairman, I rise today in opposition to H.R. 4761, the Offshore Drilling bill. I do so not because I am categorically opposed to expanding the scope of offshore drilling, but because I believe this bill does so in an irresponsible fashion. As proponents of the bill have correctly stated, Canada and Norway have both allowed offshore

drilling in an environmentally sound manner. In particular, I believe we can increase our supply of clean natural gas through expanded offshore drilling. This bill, however, would create a blank check for oil and gas drilling without adequate oversight and environmental safeguards.

Moreover, this bill diverts much-needed funds from the Federal Government to the States and creates hurdles for States that would prefer to opt-out of costal drilling. In order to create incentives for states to approve offshore drilling, the bill would divert money from leases in Federal waters to States. This includes existing leases that are currently generating Federal revenue. This loss of funds would only increase our ballooning deficit. As the Bush Administration itself has reported to Congress, this bill will reduce Federal revenue from oil leases by several hundred billion dollars in the years ahead.

The bill's proponents claim that states can choose not to drill off their shores. But the hurdles it creates makes opting out difficult. In order to protect their waters from drilling within 50 to 100 miles, governors would have to get the concurrence of their State legislatures within one year to petition the Department of the Interior to prevent natural gas only leasing, and within three years to prevent oil leasing. States must re-petition every five years to maintain the protections. And the legislation entices states to drill within 50 miles of the coastline by offering between 50 and 75 percent of the revenues if they opt-in. With such an incentive, valid environmental concerns may easily lose to fiscal ones.

Mr. Speaker, we must to take action to develop a comprehensive energy strategy. That requires a policy that includes energy supply, energy efficiency, and energy conservation. We can increase our domestic production of oil and gas through responsible offshore drilling. This bill does not do that. Moreover, this bill does nothing to promote renewable sources of energy that are critical to reducing our dependence on foreign oil and fossil fuels. We must adopt a comprehensive long-term energy policy in order to achieve important national security, environmental and economic objectives. Unfortunately, this bill represents a lost opportunity to meet these goals.

Mr. SHIMKUS. Mr. Chairman, more than 80 percent of the area in the Outer Continental Shelf is off-limits to energy development, while the Department of Energy estimates that maintaining U.S. economic growth through 2025 will require a 40 percent increase in natural gas.

I rise in support of H.R. 4716, the Deep Ocean Energy Resources Act—a vote for H.R. 4761 is a vote for agriculture. Currently, natural gas makes up 90 percent of the production cost of anhydrous ammonia, a nitrogen fertilizer and the chemical building block for all other nitrogen fertilizer products.

Nitrogen fertilizer is used on all crops produced in this country, but it is a key plant nutrient to produce corn a critical crop to Illinois farmers.

Since 2002, thirty-six percent of the U.S. nitrogen fertilizer industry has been shut down or slowed. This loss of U.S. production has had a significant impact on the American farmer. The continued loss of production from the domestic nitrogen industry would force U.S. farmers to rely on a highly uncertain and highly volatile world market with no assurance that they will be able to obtain enough product to meet their full demand.

This is particularly important when considering the importance of nitrogen to farmers. For example, according to the University of Illinois, 30–50 percent of corn yields can be directly attributed to nitrogen fertilizer.

Farm input prices have not gone down but have escalated at a record pace. Nitrogen prices have climbed over 80 percent during this time period resulting in over a 50 percent increase in a typical corn farmer's fertilizer bill.

Just as disturbing, since 2003—Illinois has lost more than 56,000 manufacturing jobs. Natural gas availability and skyrocketing price increases the cost of doing business and hurt the ability of Illinois manufacturers to compete in the global economy.

New supply of natural gas from the Outer Continental Shelf is needed to give U.S. agriculture and manufacturing sectors access to affordable and reliable sources of fertilizer and energy. Please support H.R. 4761 to ease the burden on U.S. farmers. A vote for H.R. 4761 is a vote for agriculture.

Mr. SHAYS. Mr. Chairman, I rise in opposition of H.R. 4761, which would open the entire Outer Continental Shelf to drilling for both oil and gas. Before looking to open up more area for drilling, we need to develop a comprehensive energy policy that emphasizes conservation, as well as increasing our supply with renewable and nonrenewable energy resources.

We need to increase our supply of energy, but it is imperative we first take bold action to reduce our demand for oil. This legislation takes the wrong approach to our energy policy by not challenging Americans to use energy in more responsible ways.

The bottom line is we are not resolving our energy needs because we are not conserving. We'll just continue to consume more and waste more, consume more and waste more, and act like it doesn't matter. We are on a demand course that is simply unsustainable.

Drilling is the wrong answer to the right question of how do we meet our energy needs? Before we increase our supply of energy, we must first take control of our overconsumption.

Mr. PETRI. Mr. Chairman, today I am voting for the Deep Ocean Energy Resources Act; however, I do so with reservations.

I agree that we need to end our dependence on foreign oil, and I believe that this legislation will benefit our economy by increasing domestic energy supply and creating American jobs. However, I am concerned with a number of provisions in the bill. In particular, I am concerned about the overly generous revenue sharing provisions that direct money away from the federal treasury to coastal states. I know improvements have been made in the manager's amendment adopted today, but I hope we continue to discuss the proper balance between the state and federal share of revenues generated from a federal asset.

I also have reservations about the potential for this legislation to weaken federal environmental laws. Finally, I have concerns with the power we are giving states over waters as far as 200 miles off their coasts. What coordination is there with the federal government in terms of jurisdiction over these waters, such as impacts on shipping lanes and other national or international priorities?

I believe that in order to truly end our dependence on foreign oil we need to pass legislation that promotes conservation and alternative energy sources, and increases domestic production in a manner that limits the potential for damage to our invaluable coastlines, national parks, forests, and other natural resources.

My vote today is a vote to move this process along, but I hope any conference report or final bill brought before us will address these concerns and my vote on a bill going to the President will be based on how these issues are resolved.

Mr. CONYERS. Mr. Chairman, I rise in strong opposition to H.R. 4761. Once again, Congress wants to give a handout to Big Oil and jeopardize the environment instead of working for an energy policy that would benefit all Americans. The oil companies and their Republican partners in Congress are seeking to exploit our concern over high oil prices to force through a controversial, destructive, ill-conceived measure.

This legislation will allow big oil and gas companies to profit by bribing coastal states to lift their drilling bans with the promise of quick cash in the form of royalties. H.R. 4761 would make these monies available by shifting offshore drilling royalties from the federal government to the states. The Bush Administration's own Minerals and Management Service (MMS) has estimated that this bill could cost the federal government $600 billion in lost royalty revenues over the next sixty years. The only reason we're even able to consider this bill is because the Republicans waived the rules that normally protect the taxpayers from deficit spending and new entitlements.

Of course, states that choose not to open their coasts to drilling would receive no royalties. But, Mr. Chairman, oil spills do not respect political boundaries. An offshore spill from one state could easily cripple the coastal economies of its neighbors. Those states that choose to protect their sensitive shorelines from drilling would still have to face the consequences of their neighboring state's decision to allow the oil companies in.

The sponsors of this bill claim that their proposal poses no threat to the environment. Yet, the bill drops the requirement for oil and gas companies to prepare an environmental impact statement in order to get a lease for drilling. Not only would H.R. 4761 expose more of our coastline to environmental destruction, it would free oil and gas companies from existing requirements to clean up their operations and restore the drilling site when they are finished with it. Unbelievably, it would allow the oil companies to dump their abandoned oil rigs in the ocean. Make no mistake about it: this bill is a blank check to Big Oil, and the price will be paid by ordinary Americans.

Mr. Chairman, this bill is no way to solve America's energy crisis. Congress has set and sustained a precedent for wise stewardship of our sensitive coastlines for the last 25 years, knowing that one offshore oil spill would cripple our pristine beaches, fisheries and coastal economies. Let's not permanently terminate this time-honored tradition by giving away America's coasts to the highest bidder. I urge my colleagues to vote no on this ill-conceived, destructive legislation.

Mr. CALVERT. Mr. Chairman, I rise today in support of the Deep Ocean Energy Resources Act. The legislation before us represents a balanced approach to expanding domestic energy production and, for the first time, gives

states an opportunity to determine what occurs along their shores.

I represent a coastal California district that includes beautiful beaches up and down the City of San Clemente's shoreline. I take the responsibility to protect those beautiful beaches seriously and I have worked with local officials over the years to do just that. I would not be supporting the bill if I did not believe it gave local and state officials the necessary authorities they need to protect our invaluable coastlines. Our coastal states deserve the right to make energy production decisions that affect their people, environment, and economy.

I also believe we must ensure that our military needs throughout the Outer Continental Shelf (OCS) are accounted for and protected. Our military conducts significant training and operations in the OCS to protect our mainland and maintain readiness for future conflicts. As many of my colleagues from the Armed Services Committee know, military training and operations are under a seemingly constant threat of encroachment from many sources.

In fact, just this week a lawsuit was filed by an environmental group to prevent the Navy from conducting exercises in the Pacific Ocean. While people will undoubtedly disagree about the merits of the lawsuit, there should be no disagreement about the fact that the cumulative effect of encroachments upon our military restricts the ability of our servicemembers to protect our nation.

To that end, I believe we must enact OCS drilling policies that do not place another level of work-around restrictions on our military and require OCS leasing programs be developed with the consultation and concurrence of the Secretary of Defense. We did so in the Energy Policy Act as it relates to siting LNG facilities and we should do it again in the Deep Ocean Energy Resources Act as we develop OCS energy supply. I look forward to working with my colleagues on the Armed Services Committee and Resources Committee to ensure that any OCS drilling legislation sent to the President provides the proper and necessary authorities to protect our military ranges, training and operations.

With the July Fourth holiday just around the comer, Americans are reminded of the liberties and freedoms secured by our nation's military. There are many ways Americans can express their appreciation for our military. One way this Congress can express our appreciation is to enact policies that protect our military from unintended encroachments to military training, operations, and readiness.

Mr. CASTLE. Mr. Chairman, I rise today in opposition to H.R. 4761, the Deep Ocean Energy Resources Act, which would end a twenty-five year oil and natural gas drilling prohibition for most of the country's offshore waters.

The increased strain that high-energy prices are having on the pockets of many Americans, and the national security concerns over the United States' dependence on foreign oil are real problems that deserve thoughtful, multi-pronged policy solutions. While the severity of current energy trends cannot be ignored, we cannot rush to drill before first crafting a comprehensive energy policy with solutions for meeting both our immediate and future energy needs. We must work to increase vehicle fuel efficiency, spur investment in efficiency and renewable energy research and technology, and improve conservation methods.

I respect the attempt to increase the states' ability to participate in the planning of oil and gas development off their shores, however H.R. 4671 goes too far and undermines the strong federal protections for our coastal waters. H.R. 4671 purports to allow states to maintain control of activities in their coastal waters, but instead ties states' hands in many ways with unprecedented provisions. It subordinates every other use of coastal waters to oil drilling, blocking any effort to use waters in a way that could ever limit drilling, undermines states' authority under the Coastal Zone Management Act, changes state marine boundary maps, and it eliminates many environmental reviews and public participation requirements for issuing oil leases and for exploration and drilling activities. Clearly, this is of concern to our State and other nearby States too (see attached Governor's letter).

I am also concerned that this legislation lifts the offshore drilling ban, while we continue to ignore many conservation and alternative fuel proposals, which would have a more immediate and beneficial effect on meeting our energy needs.

H.R. 4761 does not simply deal with increased drilling, but instead has other far-reaching implications for coastal states and federal revenues. This legislation would create an open-ended fund for drilling states, with no reporting requirements, at a time when we have a huge federal deficit. The estimated cost of this transfer from federal revenues to states is estimated to be several hundred billion dollars over 60 years, according to President Bush's Statement of Administration Policy.

While a thoughtful approach to offshore drilling is worthy of consideration, this legislation is not good policy for Delaware or the United States.

Mr. HOLT. Mr. Chairman, I rise today in opposition to the Deep Ocean Energy Resources Act (H.R. 4761). I fundamentally disagree with the premise of the Deep Ocean Energy Resources Act that more drilling, regardless of where it is, is the answer to energy independence.

I have read in the papers this week that this bill will be considered on the House floor as part of an ''Energy week.'' Republicans would like to use this bill to claim that Democrats are not committed to ending our dependence on foreign oil or as a ruse to feign lowering gas prices before the July 4th holiday weekend. This is simply not true.

Just so we have the facts straight, today we are considering a bill that will immediately lift a twenty-five year moratorium on offshore drilling on the Outer Continental Shelf. This is the same twenty-five year moratorium that the House overwhelmingly voted in favor of continuing just a couple of weeks ago when we considered the Fiscal Year 2007 Interior Appropriations. The major difference between the two votes is that the Deep Ocean Energy Resources Act will give states an ''opt out'' option.

The so-called ''opt out'' option is alarming to me, because in truth, it is anything but giving states the authority to control what happens off their own coasts. In fact, what this bill does is first cut the moratoria area by 100 miles from state boundaries (current law establishes a boundary of 200 miles). Then the bill lifts the moratoria on drilling between 50–100 miles off a state boundary. Yes, many of my colleagues will assert that states then have the ability to ''opt out'' of offshore drilling leases. However, the complicated procedures outlined in the bill will actually make it difficult for states to use this ''opt out'' option and if they miss the deadline to file a petition, drilling can start immediately. My question for my colleagues who support this bill is: What happens if New Jersey is successful in opting out of new leasing but New York and Delaware decide to allow drilling. How can New Jersey coastal cities, businesses, and other interested parties be sure that accidents in neighboring states will not affect their industries?

Many of my colleagues today have talked at length about the costs of this bill. An estimate initially done by the Minerals Management Service (MMS) concluded that the bill would add $69 billion to the federal budget deficit over the next fifteen years. CBO also estimates that the bill will cost taxpayers $11 billion over the next ten years. I would hope that many of my colleagues who care deeply about the fiscal discipline of this Congress would see the hypocrisy in passing this bill.

I am most concerned with the bill's direct contravention of the National Environmental Policy Act provisions that promote environmentally friendly practices. Section 12 of this bill says that seismic air gun surveys and other exploratory leasing plans are exempt from preparing an Environmental Impact Statement before drilling can occur. The effects on our environment of seismic air gun surveys and other exploratory plans are well documented. Large blasts and seismic airgun arrays can cause severe damage to the hearing of many of the ocean wildlife that depend on hearing for survival in addition to the damage to the reefs and other ocean landscape. In 2004, the International Whaling Commission's Scientific Committee concluded that increased sound from seismic surveys was ''cause for serious concern.'' Allowing lease sales to be exempt from NEPA is misguided policy.

For all these reasons I have outlined above, I urge my colleagues to vote against the Deep Ocean Energy Resources Act. I have said this before on the House floor and I believe it is worth saying again: drilling is not the answer to our energy concerns and until we in Congress work to promote energy conservation and sustainable energy supplies, we will continue on the same treacherous path we are on today.

Mr. TIAHRT. Mr. Chairman, I rise again today in strong support of jobs and lower energy costs for the American people. The House is considering the Deep Ocean Energy Resources Act of 2006 that would establish a common-sense framework to help America access more of its vast energy resources in an environmentally safe manner. More access to energy sources means more energy security for the American people, more jobs for workers and less dependency on foreign sources of energy.

I strongly support H.R. 4761 and commend Representative BOBBY JINDAL for his work on this important energy bill. I also want to thank Chairman POMBO and Chairman BARTON for their work on this issue and for their leadership in helping bring this bill to the floor today.

The Deep Ocean Energy Resources Act will allow for expanded oil and gas leasing off the Outer Continental Shelf (OCS) by allowing the Secretary of the Interior to offer new OCS areas for leasing that presently are not open.

I urge my colleagues to join me in support of H.R. 4761. Support of this bill is support for helping move us away from our dependency on foreign sources of energy. The United States is currently more than 60 percent dependent on foreign sources of oil to meet our growing energy demands. If we do not take steps to access more domestic sources of oil and natural gas, we are placing ourselves at an economic disadvantage. American's pay more for natural gas than any other country in the world. The high cost of natural gas is not just an inconvenience, it is costing American jobs.

My colleague from Pennsylvania, Representative JOHN PETERSON, regularly notes that America is the only country in the world with a moratorium on off-shore drilling for natural gas. While there are vast amounts of this environmentally-clean energy source available in areas far off our shorelines, opponents of lifting the moratorium are standing in the way of lowering energy costs for our farmers, chemical workers, small businesses and manufacturers.

Because Americans pay as much as 600 percent more for natural gas than other countries, American businesses are often at a competitive disadvantage when trying to compete with foreign businesses.

We all know our farmers depend upon natural gas for everything from irrigation to food processing to nitrogen fertilizer production. When the price of natural gas is high, that translates to more economic hardship for rural America. And unlike most other businesses, farmers are not able to pass along their increased input costs to consumers. It simply means less income for them and the rural communities that depend on a strong agriculture economy.

Natural gas prices account for most of the cost of fertilizers, which means that as long as we refuse to open up more of our natural gas reserves and lower the costs, farmers and rural farming communities will continue to suffer.

In the past six years, 21 fertilizer plants in this country have closed because they were no longer able to compete. This is just one example of how high natural gas prices are closing businesses and killing jobs. The longer we wait to lift the moratorium on offshore drilling, the more jobs we lose.

Small businesses suffer when natural gas prices are high because they have to spend more money for heating and cooling bills rather than investments in new technologies or better wages for workers. Instead of being able to sell their products and services for less, many businesses are forced to raise their prices. In today's 21st century economy, small businesses are often competing with foreign competitors, not just the business down the street.

Manufacturing jobs are even more at risk for leaving if we do not address the high cost of natural gas in this country. Over 100,000 chemical jobs have been lost over the past five years because of high natural gas costs. These are jobs that we should not be forced to lose. Americans deserve better than a continuation of an out-dated moratorium on offshore drilling for natural gas and oil.

I urge my colleagues to join me in voting for H.R. 4761 and help America compete by lowering energy costs, creating jobs and becoming more energy self-sufficient.

Mr. MILLER of Florida. Mr. Chairman, right now our country is facing an energy crisis. I believe that H.R. 4761 is a great first step to freeing our country from the powerful grips of foreign energy reliance. This bill also makes a powerful statement about the value we place on our military by preventing drilling east of the Military Mission Line, thus providing our military with the tools and resources it needs for defense training.

Secretary of Defense, Donald Rumsfeld has said, areas east of the military mission line are ''specially critical to DoD due to the number and diversity of military testing and training activities conducted there now, and those planned for the future.''

I want to thank Chairman POMBO and Congressman YOUNG of Florida for their strong support of this legislation and the military training area that this bill will protect. Continuing to provide adequate training facilities for our military shows not only support for our troops but also sends a message to our enemies that we are serious about winning this war and that our priorities are where they should be.

Ms. SCHAKOWSKY. Mr. Chairman, I rise today in opposition to H.R. 4761, the Domestic Energy Production through Offshore Exploration Act. This shortsighted initiative would feed America's oil addiction while threatening our coasts and eliminating one of our few remaining sources of fossil fuels.

Since President Bush declared that the nation is addicted to oil in his State of the Union speech, the President and the Republican Congress have continued to advance the agenda of their big oil buddies. This legislation would ensure that the nation's increasing energy demand is fed with oil instead of investing in alternative energy sources and promoting efficiency. The United States holds only 2% of the world's remaining oil reserves, while the Persian Gulf states have 60 percent of that oil. Feeding the nation's oil addiction is a threat to the nation's security.

This legislation limits states' abilities to protect their environment and their coastal residents. The energy companies already have access to 80% of our offshore oil and gas reserves. This legislation eliminates a 25-year, bi-partisan moratorium against offshore drilling that protects beaches and sensitive coastal areas. This bill makes it more difficult for states to prevent drilling off their coasts than to allow it, and limits their power to prevent new pipeline construction. It gives the Secretary of the Interior the authority to threaten states with a loss of funding if they pass any law that restricts drilling. In order to reward the oil and gas industry, the Bush Administration and the Republican Congress will make coastal states and their residents pay the price if we pass this legislation.

This bill will not bring down gasoline prices in the near term or ever. Given the average time it takes to produce oil and gas from new wells offshore, no oil and gas would be brought to the market from these new projects until 2013. We have the renewable energy capability and the efficient technology to radically reduce our demand for oil and gas today. By increasing fuel economy standards for passenger cars and light trucks to 33 miles per gallon by 2015, we could eliminate our imports of oil from the Persian Gulf. By spreading alternative fuels and biofuels across the country, we could radically reduce the largest source of our carbon emissions. And renewable energy sources like wind farms could be brought online and produce electricity in as little time as one year.

This bill will add tens of billions of dollars to our record deficit by subsidizing the same oil and gas companies that are reporting record profits. Already, every man, woman and child in this country bares the burden of $30,000 of our current deficit. Now, this bill would allow oil and gas companies to pay billions of dollars less in royalty relief, compensates oil companies for any delays in their drilling projects with taxpayer money, and allows the Congress to divert revenue for new drilling projects. Oil companies should drill at their own expense, not taxpayer expense, and the federal government should vigilantly regulate all drilling projects.

I urge all members to oppose this budget-busting, polluting legislation and encourage Congress to fight America's oil addiction rather than feed it.

Mr. KIND. Mr. Chairman, I rise today in support of H.R. 4761 to diversify our nation's domestic energy production. In the face of volatile natural gas markets that are forcing our industries and jobs overseas, we must begin drawing on the clean reliable fuel source that lies far off our nations coasts while preserving states rights to manage their nearshore waters.

For years I, along with many of my colleagues, have been calling for a more clean alternative energy supplies for our nation and this bill heeds that call. Our nation is currently generating half its electricity by burning coal. In the midwest alone, we have an astounding five-hundred individual coal burning power plants. According to the department of energy, nearly half of these plants are burning low grade, so called, sub-bituminous coal.

This enormous dependence on coal is not environmentally responsible. In 2005, the United States produced more than 7 times more CO_2 from coal than from natural gas emits far fewer particulates and climate changing gases compared to coal and is much cleaner to produce domestically, yet our nation continues to rely on coal. This bill will begin to reverse the longstnding habit.

Developing a domestic supply of natural gas is also critical to the industries that produce the jobs and products our nation needs. The volatility in the gas market makes it difficult for our companies to compete which drives job losses, a sting we have felt in my district in western Wisconsin. We can bring stability to these markets through domestic gas production and keep those middle-class jobs at home where they belong.

Our nation still needs a comprehensive energy policy and this bill is only a small piece of what must eventually be a 21st century strategy for clean domestic energy from a variety of sources. We must replace middle east oil with midwest grain and other 'home grown' alternatives and that includes the clean natural gas that would be produced under this bill. I urge my colleagues to support H.R. 4761.

Mr. BOREN. Mr. Chairman, I rise today to join my colleagues in support of the Deep Ocean Energy Resources Act.

I support this act for a multitude of reasons; however, I want to briefly talk about how this legislation is important to non-coastal states like mine.

Mr. Chairman, many people may question why a piece of legislation that opens the Outer

Continental Shelf should matter to states like Oklahoma.

Well, I am here to say that it is vitally important. It's important to the farmers of America's Heartland.

This bill will bring relief to the farmers who have seen their costs for fuel and crop inputs rise significantly over the last several years by increasing natural gas supplies.

The farmers and ranchers of America know all too well that natural gas is an important feedstock for the nitrogen fertilizers that are used on virtually every crop produced in this country.

Mr. Chairman, we can even take the farmers out of the equation and this legislation is still important to our nation.

Producing more natural gas will mean that we can reduce the cost of utilities for the nation's working families.

Finally, I want to call attention to the fact that natural gas is a clean source of energy. It is clean from its utilization as a fuel to the processes that are used produce it. In recent years, the technologies in the industry have dramatically improved leaving us with everything from cleaner diesel fuel to smaller footprints after drilling has ceased.

Mr. Chairman, this is our chance to help lower costs, create jobs, and even increase production of an environmentally-friendly domestic fuel source.

For these reasons, I urge my colleagues to support H.R 4761.

Mr. HERGER. Mr. Chairman, if gasoline prices are bad, natural gas prices are even worse. The price of this fuel has tripled over the last six years. This dramatic increase is hurting my constituents in Northern California who rely on natural gas for heating and lighting. Farmers who use natural gas for crop drying, irrigation, and fertilizer production are also getting squeezed. Yet while prices climb to record levels, Washington has essentially made it impossible for states to provide any relief.

H.R. 4761 changes that. This bipartisan compromise gives the states the power to decide how to utilize America's ocean energy resources. It's a common sense plan for affordable energy, new jobs, and environmental protection. I commend Chairman POMBO and urge my colleagues to support this bill.

Mr. DINGELL. Mr. Chairman, regrettably, I rise in opposition to this legislation. I say regrettably because I really would like to support increased domestic production of hydrocarbons. Like all my other colleagues, over this past winter, my office was inundated with pleas for help from constituents with through-the-roof home heating bills. Unfortunately, I expect the same next winter.

You see, Mr. Chairman, I just fundamentally believe that the waters we are talking about are federal waters. And that the revenue from leasing activities should go to the Federal Treasury for the betterment of the Nation. While I might agree to sharing some of the revenue with the states, I simply cannot in good conscience support giving them 50 to 75 percent—or as is in the manager's amendment 42.5 percent to 75 percent. These revenues go to funding some of our most important programs throughout the country, including in my home state of Michigan. The Minerals Management Services estimated, prior to the manager's amendment, that this revenue sharing will cost the Federal Treasury $69 billion over the next 15 years. While the new period over which this is phased in has lengthened, the net cost is still much the same. In this era of ever increasing deficits, we simply cannot afford to lose that revenue.

As the author of the National Environmental Policy Act, I am also troubled by a provision that would exempt leases sales from the analysis and public process required by NEPA.

In short, Mr. Chairman, I would like to see more energy production in the Outer Continental Shelf. However, there is a right way and a wrong way to achieve this. Unfortunately, the bill we are considering today is the wrong way.

Mr. GOODLATTE. Mr. Chairman, my friends, I rise in support of H.R. 4761, the Domestic Energy Production Through Offshore Exploration Act of 2006.

In 1981, Congress enacted a ban on energy exploration covering more than 85 percent of the U.S. outer continental shelf. At the time, U.S. natural gas prices were the lowest in the industrialized world.

Today, U.S. Natural gas prices are the highest in the industrialized world. Prices for natural gas continue to increase, while the government continues to promote new natural gas consumption.

To balance the market, we need to invest in efficient, alternative energy. Additionally, we need to increase access to new energy supply sources, like ethanol and hydrogen, to keep pace with new and growing demands.

The high cost of natural gas and oil has a major impact on both the farm and forest sectors.

Paper mills, a major employer in my district, are very energy intensive. Energy costs account for 18 percent of the cost of operating a mill, almost eclipsing costs for employee compensation. The effects of higher energy prices have been dramatic. Over 232 paper mills have closed and 182,000 jobs lost since 2000 when energy prices started their steep ascent.

For farmers, higher natural gas prices mean higher costs for fertilizers. According to the USDA, average fertilizer prices in March 2006 stood 74 percent higher than the 1990–92 levels, nearly approaching all-time records. The high cost of oil has also greatly effected farmers and ranchers. Unlike many businesses, farmers and ranchers cannot pass on the extra costs to their customers and must absorb rising costs themselves.

H.R. 4761 addresses the supply piece of the puzzle to help bring natural gas and oil prices down. We can no longer continue to ban access to large sources of supply, while we continue to encourage innovation and advancement in all areas of industry, education, and technology.

This bill allows the Federal government to begin the process of developing these important resources throughout the outer continental shelf.

The bill's provisions are essential to ensuring a more cost efficient source of natural gas and oil. The benefits of efficient and cost-effective energy are not limited to one single industry, but extend to businesses, farmers, consumers, and communities. We find ourselves for the first time in a quarter century acknowledging that we as a Congress can no longer continue to promote natural gas and oil consumption and, at the same time, prohibit more production. I urge my colleagues to vote. ''yes'' on H.R. 4761.

Mr. WELDON of Florida. Mr. Chairman, I rise in support of the bill and thank you for working with Members of Florida's Congressional delegation to try and address our concerns. The residents of Florida and much of the Nation are facing significant increases in energy costs—gas to electricity bills—due to the increases in global demand and our Nation's increasing reliance on foreign sources of energy. Yet for Florida, our beaches are important for tourism and it is important that we offer some protections along our coast. I believe the bill before us reaches a good balance. It offers good protections while enabling responsible exploration for natural gas and oil.

Mr. Chairman, if we in this body and as a Nation are really serious about energy independence and its related national security implications, we must allow greater drilling for natural gas and oil in our Outer Continental Shelf. To do otherwise is to deny reality and live in a dream world. This bill takes a significant step to reduce our reliance on foreign oil and natural gas.

Some have made baseless claims that allowing natural gas wells or oil wells within the Outer Continental Shelf (OCS) will do little to address the energy costs in the United States. This claim simply is not based on sound economics. Over the past decade both in the state of Florida and across the Nation, there has been a dramatic increase in the use of natural gas for electric power generation. This switch was a quick and cost-effective way for power companies to reduce greenhouse gas emissions. According to a 2005 report from the Florida Public Service Commission (FPSC), in 2003, 26 percent of Florida's electric power was generated using natural gas. By 2013, just 7 years from now, the FPSC projects that over 50 percent of Florida's electric power will be generated using natural gas. The U.S. already pays the highest price in the world for natural gas, and it will only rise further if we fail to tap our own natural gas resources along the OCS.

Yet today we are increasingly importing natural gas from not only Canada and Mexico, but Trinidad, Qatar, Nigeria, Oman, Egypt, and Algeria. This increasing reliance on natural gas from Middle Eastern or unstable countries will further threaten our Nation's economic vitality and energy independence. This is the wrong path, particularly when we have untapped natural gas along our Nation's Outer Continental Shelf.

The U.S. Department of Energy reports that the cost of natural gas for electric power generation increased 300 percent between 2000 and 2005. Absent a new, larger and reliable supply of reasonably priced natural gas, Florida residents—many of them senior citizens on fixed incomes—will face dramatic increases in monthly power bills over the next 7 years. Passage of the bill before, us will enable Florida to secure a long-term supply of natural gas and help keep power bills in check.

The bill before us allows drilling for oil and natural gas 100 miles or more offshore. Between 50 and 100 miles the state legislature is given 1 year to withdraw this area from natural gas wells and 3 years to withdraw this area from oil wells. The coastal areas between the shoreline out 50 miles are presumed to be under moratorium unless the state legislature specifically authorizes either natural gas wells or oil drilling within that area. The bill also provides for some revenue sharing with the states

that permit natural gas and oil recovery, allowing billions of dollars to be shared with the states to meet participating states' needs.

I trust the state legislature and the Governor of Florida to make the right decisions about our coastlines and potential natural gas and oil exploration. That is what this bill does. It ensures that the state elected officials . . .

Finally, to those, particularly in Florida who would say we should reject this legislation, I think it is important to consider the sizable shift in recent votes the House and Senate have had on the issue of off-shore drilling. When one considers the shift of 76 votes between the vote we held on this issue last year and the vote held last month, this bill before us today is likely the best deal Florida is going to get. A year ago, Senators NELSON and MARTINEZ could muster only 44 votes in their attempt to strip off-shore drilling out of the energy bill. I'm sure that, as in the House, there is a growing consensus in the Senate to allow drilling in our Nation's Outer Continental Shelf, including Florida's coast.

It is also important to note that there are currently areas off of Florida's East coast that have less protection than what is offered in this bill. Those areas will receive greater protection under this bill that they have under current law.

Finally, I would say that Cuba and China are proposing a joint venture to drill for gas of the northern coast of Cuba—45 miles from the Florida shoreline. To stand idly by and watch the Communist Cuban government and China drill within 45 miles of Florida's coast—perhaps extracting gas that is in U.S. territorial waters—is absurd.

Given the realities of our needs, the national security concerns associated with continued reliance on Middle Eastern oil and legislative realities, I believe it is important that we move forward with this bill today.

Let's vote for the underlying bill.

Mr. POE. Mr. Chairman, I rise in strong support of the Deep Ocean Energy Resources (DOER) Act, H.R. 4761.

The United States must be more self-sufficient when it comes to energy. The United States imports 60 percent of its crude oil from foreign countries even though there are large quantities of oil and natural gas available in the Outer Continental Shelf (OCS). However, these valuable resources are wrapped up in red tape and are off-limits to energy exploration. The United States is the only developed nation that limits access to their own natural resources. Other nations are willing to drill close to their own shores. Canada drills in the Great Lakes. Ireland, Norway, United Kingdom, Australia and New Zealand all drill within 50 miles of their own coastline. The Netherlands drills 20 miles off their shoes and Scotland drills 10 miles off their coast.

One part of the OCS, the Gulf of Mexico, is responsible for one-third of the domestic oil production and 20 percent of the domestic natural gas production. However, as we saw from Hurricanes Katrina and Rita, these areas can be subject to supply disruption. It is imperative that the United States begin drilling in other parts outside of the Gulf. There is a wide range of areas where we can drill. While the United States drills off my home State of Texas and Louisiana; there is crude oil still available in the eastern parts of the Gulf of Mexico, on the east coast and, yes, even off the sacred coast of California. It is vital that we think and consider drilling in these areas.

Since the 1980s, Congress has been placing appropriations moratoriums on drilling in about 90 percent of the Outer Continental Shelf placing them off limit to any energy development. All the people in non-drilling coastal States want cheap gasoline and natural gas, but they do not drill in their neighborhood. They want Texas and Louisiana to keep drilling in our neighborhood. We cannot have it both ways; cheap gasoline and refuse to drill offshore. We must do everything in our power to expand energy exploration in the OCS.

Limiting our ability to explore for energy is hypocritical. It does not make sense. In this Outer Continental Shelf, there are about 300 trillion cubic feet of natural gas and more than 50 billion barrels of oil yet to be discovered, that is enough oil or natural gas to: replace current imports from the Persian Gulf for 60 years and produce sufficient natural gas to heat 75 million homes for 60 years; produce gasoline for 116 million cars and heating oil for 47 million homes for 15 years; produce sufficient natural gas to heat 75 million homes for 60 years.

The DOER Act is an important bill as it grants states the power to control the OCS area off their coasts and still allow energy exploration. States will now have the ability to control drilling rights up to 100 miles off their coast. Current law only gives them authority up to 3 miles. Additionally, the DOER Act will allow states to share in the leasing royalties that occur in those areas that States now control.

This will help to encourage more states to participate in energy exploration as they will now share in the benefits from leasing rights. For my State of Texas, we have long held the belief that drilling can be done in a responsible and environmentally safe way. Now, Texas will be able to share in those leasing royalties that in the past have been exclusively limited to the federal government. These funds can be used by Texas to offset the cost of Rita, fund education for Katrina refugees or other important programs for the State.

It is for these reasons that I support and am a proud cosponsor for H.R. 4761. If we want to reduce energy prices, we need to explore for energy. This is a good bill that will allow for further exploration and reward states that allow for that exploration. I encourage my colleagues to support this important piece of legislation.

The Acting CHAIRMAN (Mr. LAHOOD). All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the amendment in the nature of a substitute is as follows:

H.R. 4761

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Deep Ocean Energy Resources Act of 2006''.

SEC. 2. POLICY.

It is the policy of the United States that—

(1) the United States is blessed with abundant energy resources on the outer Continental Shelf and has developed a comprehensive framework of environmental laws and regulations and fostered the development of state-of-the-art technology that allows for the responsible development of these resources for the benefit of its citizenry;

(2) adjacent States are required by the circumstances to commit significant resources in support of exploration, development, and production activities for mineral resources on the outer Continental Shelf, and it is fair and proper for a portion of the receipts from such activities to be shared with Adjacent States and their local coastal governments;

(3) the existing laws governing the leasing and production of the mineral resources of the outer Continental Shelf have reduced the production of mineral resources, have preempted Adjacent States from being sufficiently involved in the decisions regarding the allowance of mineral resource development, and have been harmful to the national interest;

(4) the national interest is served by granting the Adjacent States more options related to whether or not mineral leasing should occur in the outer Continental Shelf within their Adjacent Zones;

(5) it is not reasonably foreseeable that exploration of a leased tract located more than 25 miles seaward of the coastline, development and production of a natural gas discovery located more than 25 miles seaward of the coastline, or development and production of an oil discovery located more than 50 miles seaward of the coastline will adversely affect resources near the coastline;

(6) transportation of oil from a leased tract might reasonably be foreseen, under limited circumstances, to have the potential to adversely affect resources near the coastline if the oil is within 50 miles of the coastline, but such potential to adversely affect such resources is likely no greater, and probably less, than the potential impacts from tanker transportation because tanker spills usually involve large releases of oil over a brief period of time; and

(7) among other bodies of inland waters, the Great Lakes, Long Island Sound, Delaware Bay, Chesapeake Bay, Albemarle Sound, San Francisco Bay, and Puget Sound are not part of the outer Continental Shelf, and are not subject to leasing by the Federal Government for the exploration, development, and production of any mineral resources that might lie beneath them.

SEC. 3. DEFINITIONS UNDER THE OUTER CONTINENTAL SHELF LANDS ACT.

Section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331) is amended—

(1) by amending paragraph (f) to read as follows:

''(f) The term 'affected State' means the Adjacent State.'';

(2) by striking the semicolon at the end of each of paragraphs (a) through (o) and inserting a period;

(3) by striking ''; and'' at the end of paragraph (p) and inserting a period;

(4) by adding at the end the following:

''(r) The term 'Adjacent State' means, with respect to any program, plan, lease sale, leased tract or other activity, proposed, conducted, or approved pursuant to the provisions of this Act, any State the laws of which are declared, pursuant to section 4(a)(2), to be the law of the United States for the portion of the outer Continental Shelf on which such program, plan, lease sale, leased tract or activity appertains or is, or is proposed to be, conducted. For purposes of this paragraph, the term 'State' includes Puerto Rico and the other Territories of the United States.

''(s) The term 'Adjacent Zone' means, with respect to any program, plan, lease sale, leased tract, or other activity, proposed, conducted, or approved pursuant to the provisions of this Act, the portion of the outer Continental Shelf for which the laws of a particular Adjacent State are declared, pursuant to section 4(a)(2), to be the law of the United States.

''(t) The term 'miles' means statute miles.

''(u) The term 'coastline' has the same meaning as the term 'coast line' as defined in section 2(c) of the Submerged Lands Act (43 U.S.C. 1301(c)).

''(v) The term 'Neighboring State' means a coastal State having a common boundary at the coastline with the Adjacent State.''; and

(5) in paragraph (a), by inserting after ''control'' the following: ''or lying within the United States exclusive economic zone adjacent to the Territories of the United States''.

SEC. 4. DETERMINATION OF ADJACENT ZONES AND PLANNING AREAS.

Section 4(a)(2)(A) of the Outer Continental Shelf Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the first sentence by striking '', and the President'' and all that follows through the end of the sentence and inserting the following: ''. The lines extending seaward and defining each State's Adjacent Zone, and each OCS Planning Area, are as indicated on the maps for each outer Continental Shelf region entitled 'Alaska OCS Region State Adjacent Zone and OCS Planning Areas', 'Pacific OCS Region State Adjacent Zones and OCS Planning Areas', 'Gulf of Mexico OCS Region State Adjacent Zones and OCS Planning Areas', and 'Atlantic OCS Region State Adjacent Zones and OCS Planning Areas', all of which are dated September 2005 and on file in the Office of the Director, Minerals Management Service.''.

SEC. 5. ADMINISTRATION OF LEASING.

Section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334) is amended by adding at the end the following:

''(k) VOLUNTARY PARTIAL RELINQUISHMENT OF A LEASE.—Any lessee of a producing lease may relinquish to the Secretary any portion of a lease that the lessee has no interest in producing and that the Secretary finds is geologically prospective. In return for any such relinquishment, the Secretary shall provide to the lessee a royalty incentive for the portion of the lease retained by the lessee, in accordance with regulations promulgated by the Secretary to carry out this subsection. The Secretary shall publish final regulations implementing this subsection within 365 days after the date of the enactment of the Deep Ocean Energy Resources Act of 2006.

''(l) NATURAL GAS LEASE REGULATIONS.—Not later than July 1, 2007, the Secretary shall publish a final regulation that shall—

''(1) establish procedures for entering into natural gas leases;

''(2) ensure that natural gas leases are only available for tracts on the outer Continental Shelf that are wholly within 100 miles of the coastline within an area withdrawn from disposition by leasing on the day after the date of enactment of the Deep Ocean Energy Resources Act of 2006;

''(3) provide that natural gas leases shall contain the same rights and obligations established for oil and gas leases, except as otherwise provided in the Deep Ocean Energy Resources Act of 2006;

''(4) provide that, in reviewing the adequacy of bids for natural gas leases, the value of any crude oil estimated to be contained within any tract shall be excluded;

''(5) provide that any crude oil produced from a well and reinjected into the leased tract shall not be subject to payment of royalty, and that the Secretary shall consider, in setting the royalty rates for a natural gas lease, the additional cost to the lessee of not producing any crude oil; and

''(6) provide that any Federal law that applies to an oil and gas lease on the outer Continental Shelf shall apply to a natural gas lease unless otherwise clearly inapplicable.''.

SEC. 6. GRANT OF LEASES BY SECRETARY.

Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended—

(1) in subsection (a)(1) by inserting after the first sentence the following: ''Further, the Secretary may grant natural gas leases in a manner similar to the granting of oil and gas leases and under the various bidding systems available for oil and gas leases.'';

(2) by adding at the end of subsection (b) the following:

''The Secretary may issue more than one lease for a given tract if each lease applies to a separate and distinct range of vertical depths, horizontal surface area, or a combination of the two. The Secretary may issue regulations that the Secretary determines are necessary to manage such leases consistent with the purposes of this Act.'';

(3) by amending subsection (p)(2)(B) to read as follows:

''(B) The Secretary shall provide for the payment to coastal states, and their local coastal governments, of 75 percent of Federal receipts from projects authorized under this section located partially or completely within the area extending seaward of State submerged lands out to 4 marine leagues from the coastline, and the payment to coastal states of 50 percent of the receipts from projects completely located in the area more than 4 marine leagues from the coastline. Payments shall be based on a formula established by the Secretary by rulemaking no later than 180 days after the date of the enactment of the Deep Ocean Energy Resources Act of 2006 that provides for equitable distribution, based on proximity to the project, among coastal states that have coastline that is located within 200 miles of the geographic center of the project.''.

(4) by adding at the end the following:

''(q) NATURAL GAS LEASES.—

''(1) RIGHT TO PRODUCE NATURAL GAS.—A lessee of a natural gas lease shall have the right to produce the natural gas from a field on a natural gas leased tract if the Secretary estimates that the discovered field has at least 40 percent of the economically recoverable Btu content of the field contained within natural gas and such natural gas is economical to produce.

''(2) CRUDE OIL.—A lessee of a natural gas lease may not produce crude oil from the lease.

''(3) ESTIMATES OF BTU CONTENT.—The Secretary shall make estimates of the natural gas Btu content of discovered fields on a natural gas lease only after the completion of at least one exploration well, the data from which has been tied to the results of a three-dimensional seismic survey of the field. The Secretary may not require the lessee to further delineate any discovered field prior to making such estimates.

''(4) DEFINITION OF NATURAL GAS.—For purposes of a natural gas lease, natural gas means natural gas and all substances produced in association with gas, including, but not limited to, hydrocarbon liquids (other than crude oil) that are obtained by the condensation of hydrocarbon vapors and separate out in liquid form from the produced gas stream.

''(r) REMOVAL OF RESTRICTIONS ON JOINT BIDDING IN CERTAIN AREAS OF THE OUTER CONTINENTAL SHELF.—Restrictions on joint bidders shall no longer apply to tracts located in the Alaska OCS Region. Such restrictions shall not apply to tracts in other OCS regions determined to be 'frontier tracts' or otherwise 'high cost tracts' under final regulations that shall be published by the Secretary by not later than 365 days after the date of the enactment of the Deep Ocean Energy Resources Act of 2006.

''(s) ROYALTY SUSPENSION PROVISIONS.—The Secretary shall agree to a request by any lessee to amend any lease issued for Central and Western Gulf of Mexico tracts during the period of December 1, 1995, through December 31, 2000, to incorporate price thresholds applicable to royalty suspension provisions, or amend existing price thresholds, in the amount of $40.50 per barrel (2006 dollars) for oil and for natural gas of $6.75 per million Btu (2006 dollars). Any amended lease shall impose the new or revised price thresholds effective October 1, 2005. Existing lease provisions shall prevail through September 30, 2005. After the date of the enactment of the Deep Ocean Energy Resources Act of 2006, price thresholds shall apply to any royalty suspension volumes granted by the Secretary. Unless otherwise set by Secretary by regulation or for a particular lease sale, the price thresholds shall be $40.50 for oil (2006 dollars) and $6.75 for natural gas (2006 dollars).

''(t) ROYALTY RATE FOR OIL AND GAS OR NATURAL GAS LEASES ON THE OUTER CONTINENTAL SHELF.—After the date of the enactment of the Deep Ocean Energy Resources Act of 2006, the base royalty rate for new oil and gas or natural gas leases on the outer Continental Shelf shall be the same for all leased tracts.

''(u) CONSERVATION OF RESOURCES FEES.—

''(1) Not later than one year after the date of the enactment of the Deep Ocean Energy Resources Act of 2006, the Secretary by regulation shall establish a conservation of resources fee for producing leases that will apply to new and existing leases which shall be set at $9 per barrel for oil and $1.25 per million Btu for gas. This fee shall only apply to leases in production located in more than 200 meters of water for which royalties are not being paid when prices exceed $40.50 per barrel for oil and $6.75 per million Btu for natural gas in 2006, dollars. This fee shall apply to production from and after October 1, 2005, and shall be treated as offsetting receipts.

''(2) Not later than one year after the date of the enactment of the Deep Ocean Energy Resources Act of 2006, the Secretary by regulation shall establish a conservation of resources fee for nonproducing leases that will apply to new and existing leases which shall be set at not less than $1.00 nor more than $4.00 per acre per year. This fee shall apply from and after October 1, 2005, and shall be treated as offsetting receipts.'';

(5) by striking subsection (a)(3)(A) and redesignating the subsequent subparagraphs as subparagraphs (A) and (B), respectively;

(6) in subsection (a)(3)(A) (as so redesignated) by striking ''In the Western'' and all that follows through ''the Secretary'' the first place it appears and inserting ''The Secretary''; and

(7) effective October 1, 2006, in subsection (g)—

(A) by striking all after ''(g)'', except paragraph (3);

(B) by striking the last sentence of paragraph (3); and

(C) by striking ''(3)''.

SEC. 7. DISPOSITION OF RECEIPTS.

Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended—

(1) by designating the existing text as subsection (a);

(2) in subsection (a) (as so designated) by inserting '', if not paid as otherwise provided in this title'' after ''receipts''; and

(3) by adding the following:

''(b) TREATMENT OF OCS RECEIPTS FROM TRACTS COMPLETELY WITHIN 100 MILES OF THE COASTLINE.—

''(1) DEPOSIT.—The Secretary shall deposit into a separate account in the Treasury the portion of OCS Receipts for each fiscal year that will be shared under paragraphs (2), (3), and (4).

''(2) PHASED-IN RECEIPTS SHARING.—

''(A) Beginning October 1, 2005, the Secretary shall share OCS Receipts derived from the following areas:

''(i) Lease tracts located on portions of the Gulf of Mexico OCS Region completely beyond 4 marine leagues from any coastline and completely within 100 miles of any coastline that are available for leasing under the 2002–2007 5-Year Oil and Gas Leasing Program in effect prior to the date of the enactment of the Deep Ocean Energy Resources Act of 2006.

''(ii) Lease tracts in production prior to October 1, 2005, completely beyond 4 marine leagues from any coastline and completely within 100 miles of any coastline located on portions of the

OCS that were not available for leasing under the 2002–2007 5-Year OCS Oil and Gas Leasing Program in effect prior to the date of the enactment of the Deep Ocean Energy Resources Act of 2006.

''(iii) Lease tracts for which leases are issued prior to October 1, 2005, located in the Alaska OCS Region completely beyond 4 marine leagues from any coastline and completely within 100 miles of the coastline.

''(B) The Secretary shall share the following percentages of OCS Receipts from the leases described in subparagraph (A) derived during the fiscal year indicated:

''(i) For fiscal year 2006, 6.0 percent.

''(ii) For fiscal year 2007, 7.0 percent.

''(iii) For fiscal year 2008, 8.0 percent.

''(iv) For fiscal year 2009, 9.0 percent.

''(v) For fiscal year 2010, 12.0 percent.

''(vi) For fiscal year 2011, 15.0 percent.

''(vii) For fiscal year 2012, 18.0 percent.

''(viii) For fiscal year 2013, 21.0 percent.

''(ix) For fiscal year 2014, 24.0 percent.

''(x) For fiscal year 2015, 27.0 percent.

''(xi) For fiscal year 2016, 30.0 percent.

''(xii) For fiscal year 2017, 33.0 percent.

''(xiii) For fiscal year 2018, 36.0 percent.

''(xiv) For fiscal year 2019, 39.0 percent.

''(xv) For fiscal year 2020, 42.0 percent.

''(xvi) For fiscal year 2021, 45.0 percent.

''(xvii) For fiscal year 2022 and each subsequent fiscal year, 50.0 percent.

''(C) The provisions of this paragraph shall not apply to leases that could not have been issued but for section 5(k) of this Act or section 6(2) of the Deep Ocean Energy Resources Act of 2006.

''(3) IMMEDIATE RECEIPTS SHARING.—Beginning October 1, 2005, the Secretary shall share 50 percent of OCS Receipts derived from all leases located completely beyond 4 marine leagues from any coastline and completely within 100 miles of any coastline not included within the provisions of paragraph (2).

''(4) RECEIPTS SHARING FROM TRACTS WITHIN 4 MARINE LEAGUES OF ANY COASTLINE.—Beginning October 1, 2005, the Secretary shall share 75 percent of OCS Receipts derived from all leases located completely or partially within 4 marine leagues from any coastline.

''(5) ALLOCATIONS.—The Secretary shall allocate the OCS Receipts deposited into the separate account established by paragraph (1) that are shared under paragraphs (2), (3), and (4) as follows:

''(A) BONUS BIDS.—Deposits derived from bonus bids from a leased tract, including interest thereon, shall be allocated at the end of each fiscal year as follows:

''(i) 85 percent to the Adjacent State.

''(ii) 5 percent into the Treasury, which shall be allocated to the account established by section 14 of the Deep Ocean Energy Resources Act of 2006.

''(iii) 5 percent into the account established by section 23 of the Deep Ocean Energy Resources Act of 2006.

''(iv) 5 percent into the account established by section 26 of the Deep Ocean Energy Resources Act of 2006.

''(B) ROYALTIES.—Deposits derived from royalties from a leased tract, including interest thereon, shall be allocated at the end of each fiscal year as follows:

''(i) 85 percent to the Adjacent State and any other producing State or States with a leased tract within its Adjacent Zone within 100 miles of its coastline that generated royalties during the fiscal year, if the other producing or States have a coastline point within 300 miles of any portion of the leased tract, in which case the amount allocated for the leased tract shall be—

''(I) one-third to the Adjacent State; and

''(II) two-thirds to each producing State, including the Adjacent State, inversely proportional to the distance between the nearest point on the coastline of the producing State and the geographic center of the leased tract.

''(ii) 5 percent into the Treasury, which shall be allocated to the account established by section 14 of the Deep Ocean Energy Resources Act of 2006.

''(iii) 5 percent into the account established by section 23 of the Deep Ocean Energy Resources Act of 2006.

''(iv) 5 percent into the account established by section 26 of the Deep Ocean Energy Resources Act of 2006.

''(c) TREATMENT OF OCS RECEIPTS FROM TRACTS PARTIALLY OR COMPLETELY BEYOND 100 MILES OF THE COASTLINE.—

''(1) DEPOSIT.—The Secretary shall deposit into a separate account in the Treasury the portion of OCS Receipts for each fiscal year that will be shared under paragraphs (2) and (3).

''(2) PHASED-IN RECEIPTS SHARING.—

''(A) Beginning October 1, 2005, the Secretary shall share OCS Receipts derived from the following areas:

''(i) Lease tracts located on portions of the Gulf of Mexico OCS Region partially or completely beyond 100 miles of any coastline that were available for leasing under the 2002–2007 5-Year Oil and Gas Leasing Program in effect prior to the date of enactment of the Deep Ocean Energy Resources Act of 2006.

''(ii) Lease tracts in production prior to October 1, 2005, partially or completely beyond 100 miles of any coastline located on portions of the OCS that were not available for leasing under the 2002–2007 5-Year OCS Oil and Gas Leasing Program in effect prior to the date of enactment of the Deep Ocean Energy Resources Act of 2006.

''(iii) Lease tracts for which leases are issued prior to October 1, 2005, located in the Alaska OCS Region partially or completely beyond 100 miles of the coastline.

''(B) The Secretary shall share the following percentages of OCS Receipts from the leases described in subparagraph (A) derived during the fiscal year indicated:

''(i) For fiscal year 2006, 6.0 percent.

''(ii) For fiscal year 2007, 7.0 percent.

''(iii) For fiscal year 2008, 8.0 percent.

''(iv) For fiscal year 2009, 9.0 percent.

''(v) For fiscal year 2010, 12.0 percent.

''(vi) For fiscal year 2011, 15.0 percent.

''(vii) For fiscal year 2012, 18.0 percent.

''(viii) For fiscal year 2013, 21.0 percent.

''(ix) For fiscal year 2014, 24.0 percent.

''(x) For fiscal year 2015, 27.0 percent.

''(xi) For fiscal year 2016, 30.0 percent.

''(xii) For fiscal year 2017, 33.0 percent.

''(xiii) For fiscal year 2018, 36.0 percent.

''(xiv) For fiscal year 2019, 39.0 percent.

''(xv) For fiscal year 2020, 42.0 percent.

''(xvi) For fiscal year 2021, 45.0 percent.

''(xvii) For fiscal year 2022 and each subsequent fiscal year, 50.0 percent.

''(C) The provisions of this paragraph shall not apply to leases that could not have been issued but for section 5(k) of this Act or section 6(2) of the Deep Ocean Energy Resources Act of 2006.

''(3) IMMEDIATE RECEIPTS SHARING.—Beginning October 1, 2005, the Secretary shall share 50 percent of OCS Receipts derived on and after October 1, 2005, from all leases located partially or completely beyond 100 miles of any coastline not included within the provisions of paragraph (2).

''(4) ALLOCATIONS.—The Secretary shall allocate the OCS Receipts deposited into the separate account established by paragraph (1) that are shared under paragraphs (2) and (3) as follows:

''(A) BONUS BIDS.—Deposits derived from bonus bids from a leased tract, including interest thereon, shall be allocated at the end of each fiscal year as follows:

''(i) 85 percent to the Adjacent State.

''(ii) 5 percent into the Treasury, which shall be allocated to the account established by section 14 of the Deep Ocean Energy Resources Act of 2006.

''(iii) 5 percent into the account established by section 23 of the Deep Ocean Energy Resources Act of 2006.

''(iv) 5 percent into the account established by section 26 of the Deep Ocean Energy Resources Act of 2006.

''(B) ROYALTIES.—Deposits derived from royalties from a leased tract, including interest thereon, shall be allocated at the end of each fiscal year as follows:

''(i) 85 percent to the Adjacent State and any other producing State or States with a leased tract within its Adjacent Zone partially or completely beyond 100 miles of its coastline that generated royalties during the fiscal year, if the other producing State or States have a coastline point within 300 miles of any portion of the leased tract, in which case the amount allocated for the leased tract shall be—

''(I) one-third to the Adjacent State; and

''(II) two-thirds to each producing State, including the Adjacent State, inversely proportional to the distance between the nearest point on the coastline of the producing State and the geographic center of the leased tract.

''(ii) 5 percent into the account established by section 14 of the Deep Ocean Energy Resources Act of 2006.

''(iii) 5 percent into the account established by section 23 of the Deep Ocean Energy Resources Act of 2006.

''(iv) 5 percent into the account established by section 26 of the Deep Ocean Energy Resources Act of 2006.

''(d) TRANSMISSION OF ALLOCATIONS.—

''(1) IN GENERAL.—Not later than 90 days after the end of each fiscal year, the Secretary shall transmit—

''(A) to each State 60 percent of such State's allocations under subsections (b)(5)(A)(i), (b)(5)(B)(i), (c)(4)(A)(i), and (c)(4)(B)(i) for the immediate prior fiscal year;

''(B) to coastal county-equivalent and municipal political subdivisions of such State a total of 40 percent of such State's allocations under subsections (b)(5)(A)(i), (b)(5)(B)(i), (c)(4)(A)(i), and (c)(4)(B)(i), together with all accrued interest thereon; and

''(C) the remaining allocations under subsections (b)(5) and (c)(4), together with all accrued interest thereon.

''(2) ALLOCATIONS TO COASTAL COUNTY-EQUIVALENT POLITICAL SUBDIVISIONS.—The Secretary shall make an initial allocation of the OCS Receipts to be shared under paragraph (1)(B) as follows:

''(A) 25 percent shall be allocated to coastal county-equivalent political subdivisions that are completely more than 25 miles landward of the coastline and at least a part of which lies not more than 75 miles landward from the coastline, with the allocation among such coastal county-equivalent political subdivisions based on population.

''(B) 75 percent shall be allocated to coastal county-equivalent political subdivisions that are completely or partially less than 25 miles landward of the coastline, with the allocation among such coastal county-equivalent political subdivisions to be further allocated as follows:

''(i) 25 percent shall be allocated based on the ratio of such coastal county-equivalent political subdivision's population to the coastal population of all coastal county-equivalent political subdivisions in the State.

''(ii) 25 percent shall be allocated based on the ratio of such coastal county-equivalent political subdivision's coastline miles to the coastline miles of all coastal county-equivalent political subdivisions in the State as calculated by the Secretary. In such calculations, coastal county-equivalent political subdivisions without a coastline shall be considered to have 50 percent of the average coastline miles of the coastal county-equivalent political subdivisions that do have coastlines.

''(iii) 25 percent shall be allocated to all coastal county-equivalent political subdivisions having a coastline point within 300 miles of the

leased tract for which OCS Receipts are being shared based on a formula that allocates the funds based on such coastal county-equivalent political subdivision's relative distance from the leased tract.

''(iv) 25 percent shall be allocated to all coastal county-equivalent political subdivisions having a coastline point within 300 miles of the leased tract for which OCS Receipts are being shared based on the relative level of outer Continental Shelf oil and gas activities in a coastal political subdivision compared to the level of outer Continental Shelf activities in all coastal political subdivisions in the State. The Secretary shall define the term 'outer Continental Shelf oil and gas activities' for purposes of this subparagraph to include, but not be limited to, construction of vessels, drillships, and platforms involved in exploration, production, and development on the outer Continental Shelf; support and supply bases, ports, and related activities; offices of geologists, geophysicists, engineers, and other professionals involved in support of exploration, production, and development of oil and gas on the outer Continental Shelf; pipelines and other means of transporting oil and gas production from the outer Continental Shelf; and processing and refining of oil and gas production from the outer Continental Shelf. For purposes of this subparagraph, if a coastal county-equivalent political subdivision does not have a coastline, its coastal point shall be the point on the coastline closest to it.

''(3) ALLOCATIONS TO COASTAL MUNICIPAL POLITICAL SUBDIVISIONS.—The initial allocation to each coastal county-equivalent political subdivision under paragraph (2) shall be further allocated to the coastal county-equivalent political subdivision and any coastal municipal political subdivisions located partially or wholly within the boundaries of the coastal county-equivalent political subdivision as follows:

''(A) One-third shall be allocated to the coastal county-equivalent political subdivision.

''(B) Two-thirds shall be allocated on a per capita basis to the municipal political subdivisions and the county-equivalent political subdivision, with the allocation to the latter based upon its population not included within the boundaries of a municipal political subdivision.

''(e) INVESTMENT OF DEPOSITS.—Amounts deposited under this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account in which they are deposited and yielding the highest reasonably available interest rates as determined by the Secretary of the Treasury.

''(f) USE OF FUNDS.—A recipient of funds under this section may use the funds for one or more of the following:

''(1) To reduce in-State college tuition at public institutions of higher learning and otherwise support public education, including career technical education.

''(2) To make transportation infrastructure improvements.

''(3) To reduce taxes.

''(4) To promote, fund, and provide for—

''(A) coastal or environmental restoration;

''(B) fish, wildlife, and marine life habitat enhancement;

''(C) waterways construction and maintenance;

''(D) levee construction and maintenance and shore protection; and

''(E) marine and oceanographic education and research.

''(5) To promote, fund, and provide for —

''(A) infrastructure associated with energy production activities conducted on the outer Continental Shelf;

''(B) energy demonstration projects;

''(C) supporting infrastructure for shore-based energy projects;

''(D) State geologic programs, including geologic mapping and data storage programs, and state geophysical data acquisition;

''(E) State seismic monitoring programs, including operation of monitoring stations;

''(F) development of oil and gas resources through enhanced recovery techniques;

''(G) alternative energy development, including bio fuels, coal-to-liquids, oil shale, tar sands, geothermal, geopressure, wind, waves, currents, hydro, and other renewable energy;

''(H) energy efficiency and conservation programs; and

''(I) front-end engineering and design for facilities that produce liquid fuels from hydrocarbons and other biological matter.

''(6) To promote, fund, and provide for—

''(A) historic preservation programs and projects;

''(B) natural disaster planning and response; and,

''(C) hurricane and natural disaster insurance programs.

''(7) For any other purpose as determined by State law.

''(g) NO ACCOUNTING REQUIRED.—No recipient of funds under this section shall be required to account to the Federal Government for the expenditure of such funds, except as otherwise may be required by law. However, States may enact legislation providing for accounting for and auditing of such expenditures. Further, funds allocated under this section to States and political subdivisions may be used as matching funds for other Federal programs.

''(h) EFFECT OF FUTURE LAWS.—Enactment of any future Federal statute that has the effect, as determined by the Secretary, of restricting any Federal agency from spending appropriated funds, or otherwise preventing it from fulfilling its pre-existing responsibilities as of the date of enactment of the statute, unless such responsibilities have been reassigned to another Federal agency by the statute with no prevention of performance, to issue any permit or other approval impacting on the OCS oil and gas leasing program, or any lease issued thereunder, or to implement any provision of this Act shall automatically prohibit any sharing of OCS Receipts under this section directly with the States, and their coastal political subdivisions, for the duration of the restriction. The Secretary shall make the determination of the existence of such restricting effects within 30 days of a petition by any outer Continental Shelf lessee or producing State.

''(i) DEFINITIONS.—In this section:

''(1) COASTAL COUNTY-EQUIVALENT POLITICAL SUBDIVISION.—The term 'coastal county-equivalent political subdivision' means a political jurisdiction immediately below the level of State government, including a county, parish, borough in Alaska, independent municipality not part of a county, parish, or borough in Alaska, or other equivalent subdivision of a coastal State, that lies within the coastal zone.

''(2) COASTAL MUNICIPAL POLITICAL SUBDIVISION.—The term 'coastal municipal political subdivision' means a municipality located within and part of a county, parish, borough in Alaska, or other equivalent subdivision of a State, all or part of which coastal municipal political subdivision lies within the coastal zone.

''(3) COASTAL POPULATION.—The term 'coastal population' means the population of all coastal county-equivalent political subdivisions, as determined by the most recent official data of the Census Bureau.

''(4) COASTAL ZONE.—The term 'coastal zone' means that portion of a coastal State, including the entire territory of any coastal county-equivalent political subdivision at least a part of which lies, within 75 miles landward from the coastline, or a greater distance as determined by State law enacted to implement this section.

''(5) BONUS BIDS.—The term 'bonus bids' means all funds received by the Secretary to issue an outer Continental Shelf minerals lease.

''(6) ROYALTIES.—The term 'royalties' means all funds received by the Secretary from production of oil or natural gas, or the sale of production taken in-kind, from an outer Continental Shelf minerals lease.

''(7) PRODUCING STATE.—The term 'producing State' means an Adjacent State having an Adjacent Zone containing leased tracts from which OCS Receipts were derived.

''(8) OCS RECEIPTS.—The term 'OCS Receipts' means bonus bids, royalties, and conservation of resources fees.''.

SEC. 8. REVIEW OF OUTER CONTINENTAL SHELF EXPLORATION PLANS.

Subsections (c) and (d) of section 11 of the Outer Continental Shelf Lands Act (43 U.S.C. 1340) are amended to read as follows:

''(c) PLAN REVIEW; PLAN PROVISIONS.—

''(1) Except as otherwise provided in this Act, prior to commencing exploration pursuant to any oil and gas lease issued or maintained under this Act, the holder thereof shall submit an exploration plan (hereinafter in this section referred to as a 'plan') to the Secretary for review which shall include all information and documentation required under paragraphs (2) and (3). The Secretary shall review the plan for completeness within 10 days of submission. If the Secretary finds that the plan is not complete, the Secretary shall notify the lessee with a detailed explanation and require such modifications of such plan as are necessary to achieve completeness. The Secretary shall have 10 days to review a modified plan for completeness. Such plan may apply to more than one lease held by a lessee in any one region of the outer Continental Shelf, or by a group of lessees acting under a unitization, pooling, or drilling agreement, and the lessee shall certify that such plan is consistent with the terms of the lease and is consistent with all statutory and regulatory requirements in effect on the date of issuance of the lease, and any regulations promulgated under this Act to the conservation of resources after the date of the lease issuances. The Secretary shall have 30 days from the date the plan is deemed complete to conduct a review of the plan. If the Secretary finds the plan is not consistent with the lease and all such statutory and regulatory requirements, the Secretary shall notify the lessee with a detailed explanation of such modifications of such plan as are necessary to achieve compliance. The Secretary shall have 30 days to review any modified plan submitted by the lessee. The lessee shall not take any action under the exploration plan within the 30-day review period, or thereafter until the plan has been modified to achieve compliance as so notified.

''(2) An exploration plan submitted under this subsection shall include, in the degree of detail which the Secretary may by regulation require—

''(A) a schedule of anticipated exploration activities to be undertaken;

''(B) a description of equipment to be used for such activities;

''(C) the general location of each well to be drilled; and

''(D) such other information deemed pertinent by the Secretary.

''(3) The Secretary may, by regulation, require that such plan be accompanied by a general statement of development and production intentions which shall be for planning purposes only and which shall not be binding on any party.

''(d) PLAN REVISIONS; CONDUCT OF EXPLORATION ACTIVITIES.—

''(1) If a significant revision of an exploration plan under this subsection is submitted to the Secretary, the process to be used for the review of such revision shall be the same as set forth in subsection (c) of this section.

''(2) All exploration activities pursuant to any lease shall be conducted in accordance with an exploration plan or a revised plan which has been submitted to and reviewed by the Secretary.''.

SEC. 9. RESERVATION OF LANDS AND RIGHTS.

Section 12 of the Outer Continental Shelf Lands Act (43 U.S.C. 1341) is amended—

(1) in subsection (a) by adding at the end the following: ''The President may partially or completely revise or revoke any prior withdrawal made by the President under the authority of this section. The President may not revise or revoke a withdrawal that was initiated by a petition from a State and approved by the Secretary of the Interior under subsection (h). A withdrawal by the President may be for a term not to exceed 10 years. When considering potential uses of the outer Continental Shelf, to the maximum extent possible, the President shall accommodate competing interests and potential uses.'';

(2) by adding at the end the following:

''(g) AVAILABILITY FOR LEASING WITHIN CERTAIN AREAS OF THE OUTER CONTINENTAL SHELF.—

''(1) PROHIBITION AGAINST LEASING.—

''(A) UNAVAILABLE FOR LEASING WITHOUT STATE REQUEST.—Except as otherwise provided in this subsection, from and after enactment of the Deep Ocean Energy Resources Act of 2006, the Secretary shall not offer for leasing for oil and gas, or natural gas, any area within 50 miles of the coastline that was withdrawn from disposition by leasing in the Atlantic OCS Region or the Pacific OCS Region, or the Gulf of Mexico OCS Region Eastern Planning Area, as depicted on the maps referred to in this subparagraph, under the 'Memorandum on Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition', 34 Weekly Comp. Pres. Doc. 1111, dated June 12, 1998, or any area within 50 miles of the coastline not withdrawn under that Memorandum that is included within the Gulf of Mexico OCS Region Eastern Planning Area as indicated on the map entitled 'Gulf of Mexico OCS Region State Adjacent Zones and OCS Planning Areas' or the Florida Straits Planning Area as indicated on the map entitled 'Atlantic OCS Region State Adjacent Zones and OCS Planning Areas', both of which are dated September 2005 and on file in the Office of the Director, Minerals Management Service.

''(B) AREAS BETWEEN 50 AND 100 MILES FROM THE COASTLINE.—Unless an Adjacent State petitions under subsection (h) within one year after the date of the enactment of the Deep Ocean Energy Resources Act of 2006 for natural gas leasing or by June 30, 2009, for oil and gas leasing, the Secretary shall offer for leasing any area more than 50 miles but less than 100 miles from the coastline that was withdrawn from disposition by leasing in the Atlantic OCS Region, the Pacific OCS Region, or the Gulf of Mexico OCS Region Eastern Planning Area, as depicted on the maps referred to in this subparagraph, under the 'Memorandum on Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition', 34 Weekly Comp. Pres. Doc. 1111, dated June 12, 1998, or any area more than 50 miles but less than 100 miles of the coastline not withdrawn under that Memorandum that is included within the Gulf of Mexico OCS Region Eastern Planning Area as indicated on the map entitled 'Gulf of Mexico OCS Region State Adjacent Zones and OCS Planning Areas' or within the Florida Straits Planning Area as indicated on the map entitled 'Atlantic OCS Region State Adjacent Zones and OCS Planning Areas', both of which are dated September 2005 and on file in the Office of the Director, Minerals Management Service.

''(2) REVOCATION OF WITHDRAWAL.—The provisions of the 'Memorandum on Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition', 34 Weekly Comp. Pres. Doc. 1111, dated June 12, 1998, are hereby revoked and are no longer in effect regarding any areas that are more than 100 miles from the coastline, nor for any areas that are less than 100 miles from the coastline and are included within the Gulf of Mexico OCS Region Central Planning Area as depicted on the map entitled 'Gulf of Mexico OCS Region State Adjacent Zones and OCS Planning Areas' dated September 2005 and on file in the Office of the Director, Minerals Management Service. The 2002–2007 5-Year Outer Continental Shelf Oil and Gas Leasing Program is hereby amended to include the areas added to the Gulf of Mexico OCS Region Central Planning Area by this Act to the extent that such areas were included within the original boundaries of proposed Lease Sale 181. The amendment to such leasing program includes a sale in such additional areas, which shall be held no later than June 30, 2007. The Final Environmental Impact Statement prepared for this area for Lease Sale 181 shall be deemed sufficient for all purposes for each lease sale in which such area is offered for lease during the 2002–2007 5-Year Outer Continental Shelf Oil and Gas Leasing Program without need for supplementation. Any tract only partially added to the Gulf of Mexico OCS Region Central Planning Area by this Act shall be eligible for leasing of the part of such tract that is included within the Gulf of Mexico OCS Region Central Planning Area, and the remainder of such tract that lies outside of the Gulf of Mexico OCS Region Central Planning Area may be developed and produced by the lessee of such partial tract using extended reach or similar drilling from a location on a leased area. Further, any area in the OCS withdrawn from leasing may be leased, and thereafter developed and produced by the lessee using extended reach or similar drilling from a location on a leased area located in an area available for leasing.

''(3) PETITION FOR LEASING.—

''(A) IN GENERAL.—The Governor of the State, upon concurrence of its legislature, may submit to the Secretary a petition requesting that the Secretary make available any area that is within the State's Adjacent Zone, included within the provisions of paragraph (1), and that (i) is greater than 25 miles from any point on the coastline of a Neighboring State for the conduct of offshore leasing, pre-leasing, and related activities with respect to natural gas leasing; or (ii) is greater than 50 miles from any point on the coastline of a Neighboring State for the conduct of offshore leasing, pre-leasing, and related activities with respect to oil and gas leasing. The Adjacent State may also petition for leasing any other area within its Adjacent Zone if leasing is allowed in the similar area of the Adjacent Zone of the applicable Neighboring State, or if not allowed, if the Neighboring State, acting through its Governor, expresses its concurrence with the petition. The Secretary shall only consider such a petition upon making a finding that leasing is allowed in the similar area of the Adjacent Zone of the applicable Neighboring State or upon receipt of the concurrence of the Neighboring State. The date of receipt by the Secretary of such concurrence by the Neighboring State shall constitute the date of receipt of the petition for that area for which the concurrence applies. Except for any area described in the last sentence of paragraph (2), a petition for leasing any part of the Alabama Adjacent Zone that is a part of the Gulf of Mexico Eastern Planning Area, as indicated on the map entitled 'Gulf of Mexico OCS Region State Adjacent Zones and OCS Planning Areas' which is dated September 2005 and on file in the Office of the Director, Minerals Management Service, shall require the concurrence of both Alabama and Florida.

''(B) LIMITATIONS ON LEASING.—In its petition, a State with an Adjacent Zone that contains leased tracts may condition new leasing for oil and gas, or natural gas for tracts within 25 miles of the coastline by—

''(i) requiring a net reduction in the number of production platforms;

''(ii) requiring a net increase in the average distance of production platforms from the coastline;

''(iii) limiting permanent surface occupancy on new leases to areas that are more than 10 miles from the coastline;

''(iv) limiting some tracts to being produced from shore or from platforms located on other tracts; or

''(v) other conditions that the Adjacent State may deem appropriate as long as the Secretary does not determine that production is made economically or technically impracticable or otherwise impossible.

''(C) ACTION BY SECRETARY.—Not later than 90 days after receipt of a petition under subparagraph (A), the Secretary shall approve the petition, unless the Secretary determines that leasing the area would probably cause serious harm or damage to the marine resources of the State's Adjacent Zone. Prior to approving the petition, the Secretary shall complete an environmental assessment that documents the anticipated environmental effects of leasing in the area included within the scope of the petition.

''(D) FAILURE TO ACT.—If the Secretary fails to approve or deny a petition in accordance with subparagraph (C) the petition shall be considered to be approved 90 days after receipt of the petition.

''(E) AMENDMENT OF THE 5-YEAR LEASING PROGRAM.—Notwithstanding section 18, within 180 days of the approval of a petition under subparagraph (C) or (D), after the expiration of the time limits in paragraph (1)(B), and within 180 days after the enactment of the Deep Ocean Energy Resources Act of 2006 for the areas made available for leasing under paragraph (2), the Secretary shall amend the current 5-Year Outer Continental Shelf Oil and Gas Leasing Program to include a lease sale or sales for at least 75 percent of the associated areas, unless there are, from the date of approval, expiration of such time limits, or enactment, as applicable, fewer than 12 months remaining in the current 5-Year Leasing Program in which case the Secretary shall include the associated areas within lease sales under the next 5-Year Leasing Program. For purposes of amending the 5-Year Program in accordance with this section, further consultations with States shall not be required. For purposes of this section, an environmental assessment performed under the provisions of the National Environmental Policy Act of 1969 to assess the effects of approving the petition shall be sufficient to amend the 5-Year Leasing Program.

''(h) OPTION TO PETITION FOR EXTENSION OF WITHDRAWAL FROM LEASING WITHIN CERTAIN AREAS OF THE OUTER CONTINENTAL SHELF.—

''(1) IN GENERAL.—The Governor of the State, upon the concurrence of its legislature, may submit to the Secretary petitions requesting that the Secretary extend for a period of time of up to 5 years for each petition the withdrawal from leasing for all or part of any area within the State's Adjacent Zone located more than 50 miles, but less than 100 miles, from the coastline that is subject to subsection (g)(1)(B). A State may petition multiple times for any particular area but not more than once per calendar year for any particular area. A State must submit separate petitions, with separate votes by its legislature, for oil and gas leasing and for natural gas leasing. A petition of a State may request some areas to be withdrawn from all leasing and some areas to be withdrawn only from one type of leasing. Petitions for extending the withdrawal from leasing of any part of the Alabama Adjacent Zone that is more than 50 miles, but less than 100 miles, from the coastline that is a part of the Gulf of Mexico OCS Region Eastern Planning Area, as indicated on the map entitled 'Gulf of Mexico OCS Region State Adjacent Zones and OCS Planning Areas' which is dated September 2005 and on file in the Office of the Director, Minerals Management Service, may be made by either Alabama or Florida.

''(2) ACTION BY SECRETARY.—The Secretary shall perform an environmental assessment under the National Environmental Policy Act of 1969 to assess the effects of approving the petition under paragraph (1). Not later than 90 days after receipt of the petition, the Secretary shall

approve the petition, unless the Secretary determines that extending the withdrawal from leasing would probably cause serious harm or damage to the marine resources of the State's Adjacent Zone. The Secretary shall not approve a petition from a State that extends the remaining period of a withdrawal of an area from leasing for a total of more than 10 years. However, the Secretary may approve petitions to extend the withdrawal from leasing of any area ad infinitum, subject only to the limitations contained in this subsection.

''(3) FAILURE TO ACT.—If the Secretary fails to approve or deny a petition in accordance with paragraph (2) the petition shall be considered to be approved 90 days after receipt of the petition.

''(i) EFFECT OF OTHER LAWS.—Adoption by any Adjacent State of any constitutional provision, or enactment of any State statute, that has the effect, as determined by the Secretary, of restricting either the Governor or the Legislature, or both, from exercising full discretion related to subsection (g) or (h), or both, shall automatically (1) prohibit any sharing of OCS Receipts under this Act with the Adjacent State, and its coastal political subdivisions, and (2) prohibit the Adjacent State from exercising any authority under subsection (h), for the duration of the restriction. The Secretary shall make the determination of the existence of such restricting constitutional provision or State statute within 30 days of a petition by any outer Continental Shelf lessee or coastal State.''.

SEC. 10. OUTER CONTINENTAL SHELF LEASING PROGRAM.

Section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) is amended—

(1) in subsection (a), by adding at the end of paragraph (3) the following: ''The Secretary shall, in each 5-year program, include lease sales that when viewed as a whole propose to offer for oil and gas or natural gas leasing at least 75 percent of the available unleased acreage within each OCS Planning Area. Available unleased acreage is that portion of the outer Continental Shelf that is not under lease at the time of the proposed lease sale, and has not otherwise been made unavailable for leasing by law.'';

(2) in subsection (c), by striking so much as precedes paragraph (3) and inserting the following:

''(c)(1) During the preparation of any proposed leasing program under this section, the Secretary shall consider and analyze leasing throughout the entire Outer Continental Shelf without regard to any other law affecting such leasing. During this preparation the Secretary shall invite and consider suggestions from any interested Federal agency, including the Attorney General, in consultation with the Federal Trade Commission, and from the Governor of any coastal State. The Secretary may also invite or consider any suggestions from the executive of any local government in a coastal State that have been previously submitted to the Governor of such State, and from any other person. Further, the Secretary shall consult with the Secretary of Defense regarding military operational needs in the outer Continental Shelf. The Secretary shall work with the Secretary of Defense to resolve any conflicts that might arise regarding offering any area of the outer Continental Shelf for oil and gas or natural gas leasing. If the Secretaries are not able to resolve all such conflicts, any unresolved issues shall be elevated to the President for resolution.

''(2) After the consideration and analysis required by paragraph (1), including the consideration of the suggestions received from any interested Federal agency, the Federal Trade Commission, the Governor of any coastal State, any local government of a coastal State, and any other person, the Secretary shall publish in the Federal Register a proposed leasing program accompanied by a draft environmental impact statement prepared pursuant to the National Environmental Policy Act of 1969. After the publishing of the proposed leasing program and during the comment period provided for on the draft environmental impact statement, the Secretary shall submit a copy of the proposed program to the Governor of each affected State for review and comment. The Governor may solicit comments from those executives of local governments in the Governor's State that the Governor, in the discretion of the Governor, determines will be affected by the proposed program. If any comment by such Governor is received by the Secretary at least 15 days prior to submission to the Congress pursuant to paragraph (3) and includes a request for any modification of such proposed program, the Secretary shall reply in writing, granting or denying such request in whole or in part, or granting such request in such modified form as the Secretary considers appropriate, and stating the Secretary's reasons therefor. All such correspondence between the Secretary and the Governor of any affected State, together with any additional information and data relating thereto, shall accompany such proposed program when it is submitted to the Congress.''; and

(3) by adding at the end the following:

''(i) PROJECTION OF STATE ADJACENT ZONE RESOURCES AND STATE AND LOCAL GOVERNMENT SHARES OF OCS RECEIPTS.—Concurrent with the publication of the scoping notice at the beginning of the development of each 5-year outer Continental Shelf oil and gas leasing program, or as soon thereafter as possible, the Secretary shall—

''(1) provide to each Adjacent State a current estimate of proven and potential oil and gas resources located within the State's Adjacent Zone; and

''(2) provide to each Adjacent State, and coastal political subdivisions thereof, a best-efforts projection of the OCS Receipts that the Secretary expects will be shared with each Adjacent State, and its coastal political subdivisions, using the assumption that the unleased tracts within the State's Adjacent Zone are fully made available for leasing, including long-term projected OCS Receipts. In addition, the Secretary shall include a macroeconomic estimate of the impact of such leasing on the national economy and each State's economy, including investment, jobs, revenues, personal income, and other categories.''.

SEC. 11. COORDINATION WITH ADJACENT STATES.

Section 19 of the Outer Continental Shelf Lands Act (43 U.S.C. 1345) is amended—

(1) in subsection (a) in the first sentence by inserting '', for any tract located within the Adjacent State's Adjacent Zone,'' after ''government''; and

(2) by adding the following:

''(f)(1) No Federal agency may permit or otherwise approve, without the concurrence of the Adjacent State, the construction of a crude oil or petroleum products (or both) pipeline within the part of the Adjacent State's Adjacent Zone that is withdrawn from oil and gas or natural gas leasing, except that such a pipeline may be approved, without such Adjacent State's concurrence, to pass through such Adjacent Zone if at least 50 percent of the production projected to be carried by the pipeline within its first 10 years of operation is from areas of the Adjacent State's Adjacent Zone.

''(2) No State may prohibit the construction within its Adjacent Zone or its State waters of a natural gas pipeline that will transport natural gas produced from the outer Continental Shelf. However, an Adjacent State may prevent a proposed natural gas pipeline landing location if it proposes two alternate landing locations in the Adjacent State, acceptable to the Adjacent State, located within 50 miles on either side of the proposed landing location.''.

SEC. 12. ENVIRONMENTAL STUDIES.

Section 20(d) of the Outer Continental Shelf Lands Act (43 U.S.C. 1346) is amended—

(1) by inserting ''(1)'' after ''(d)''; and

(2) by adding at the end the following:

''(2) For all programs, lease sales, leases, and actions under this Act, the following shall apply regarding the application of the National Environmental Policy Act of 1969:

''(A) Granting or directing lease suspensions and the conduct of all preliminary activities on outer Continental Shelf tracts, including seismic activities, are categorically excluded from the need to prepare either an environmental assessment or an environmental impact statement, and the Secretary shall not be required to analyze whether any exceptions to a categorical exclusion apply for activities conducted under the authority of this Act.

''(B) The environmental impact statement developed in support of each 5-year oil and gas leasing program provides the environmental analysis for all lease sales to be conducted under the program and such sales shall not be subject to further environmental analysis.

''(C) Exploration plans shall not be subject to any requirement to prepare an environmental impact statement, and the Secretary may find that exploration plans are eligible for categorical exclusion due to the impacts already being considered within an environmental impact statement or due to mitigation measures included within the plan.

''(D) Within each OCS Planning Area, after the preparation of the first development and production plan environmental impact statement for a leased tract within the Area, future development and production plans for leased tracts within the Area shall only require the preparation of an environmental assessment unless the most recent development and production plan environmental impact statement within the Area was finalized more than 10 years prior to the date of the approval of the plan, in which case an environmental impact statement shall be required.''.

SEC. 13. REVIEW OF OUTER CONTINENTAL SHELF DEVELOPMENT AND PRODUCTION PLANS.

Section 25 of the Outer Continental Shelf Lands Act (43 U.S.C. 1351(a)) is amended to read as follows:

''SEC. 25. REVIEW OF OUTER CONTINENTAL SHELF DEVELOPMENT AND PRODUCTION PLANS.

''(a) DEVELOPMENT AND PRODUCTION PLANS; SUBMISSION TO SECRETARY; STATEMENT OF FACILITIES AND OPERATION; SUBMISSION TO GOVERNORS OF AFFECTED STATES AND LOCAL GOVERNMENTS.—

''(1) Prior to development and production pursuant to an oil and gas lease issued on or after September 18, 1978, for any area of the outer Continental Shelf, or issued or maintained prior to September 18, 1978, for any area of the outer Continental Shelf, with respect to which no oil or gas has been discovered in paying quantities prior to September 18, 1978, the lessee shall submit a development and production plan (hereinafter in this section referred to as a 'plan') to the Secretary for review.

''(2) A plan shall be accompanied by a statement describing all facilities and operations, other than those on the outer Continental Shelf, proposed by the lessee and known by the lessee (whether or not owned or operated by such lessee) that will be constructed or utilized in the development and production of oil or gas from the lease area, including the location and site of such facilities and operations, the land, labor, material, and energy requirements associated with such facilities and operations, and all environmental and safety safeguards to be implemented.

''(3) Except for any privileged or proprietary information (as such term is defined in regulations issued by the Secretary), the Secretary, within 30 days after receipt of a plan and statement, shall—

''(A) submit such plan and statement to the Governor of any affected State, and upon request to the executive of any affected local government; and

''(B) make such plan and statement available to any appropriate interstate regional entity and the public.

''(b) DEVELOPMENT AND PRODUCTION ACTIVITIES IN ACCORDANCE WITH PLAN AS LEASE REQUIREMENT.—After enactment of the Deep Ocean Energy Resources Act of 2006, no oil and gas lease may be issued pursuant to this Act in any region of the outer Continental Shelf, unless such lease requires that development and production activities be carried out in accordance with a plan that complies with the requirements of this section. This section shall also apply to leases that do not have an approved development and production plan as of the date of enactment of the Deep Ocean Energy Resources Act of 2006.

''(c) SCOPE AND CONTENTS OF PLAN.—A plan may apply to more than one oil and gas lease, and shall set forth, in the degree of detail established by regulations issued by the Secretary—

''(1) the general work to be performed;

''(2) a description of all facilities and operations located on the outer Continental Shelf that are proposed by the lessee or known by the lessee (whether or not owned or operated by such lessee) to be directly related to the proposed development, including the location and size of such facilities and operations, and the land, labor, material, and energy requirements associated with such facilities and operations;

''(3) the environmental safeguards to be implemented on the outer Continental Shelf and how such safeguards are to be implemented;

''(4) all safety standards to be met and how such standards are to be met;

''(5) an expected rate of development and production and a time schedule for performance; and

''(6) such other relevant information as the Secretary may by regulation require.

''(d) COMPLETENESS REVIEW OF THE PLAN.—

''(1) Prior to commencing any activity under a development and production plan pursuant to any oil and gas lease issued or maintained under this Act, the lessee shall certify that the plan is consistent with the terms of the lease and that it is consistent with all statutory and regulatory requirements in effect on the date of issuance of the lease, and any regulations promulgated under this Act related to the conservation of resources after the date of lease issuance. The plan shall include all required information and documentation required under subsection (c).

''(2) The Secretary shall review the plan for completeness within 30 days of submission. If the Secretary finds that the plan is not complete, the Secretary shall notify the lessee with a detailed explanation of such modifications of such plan as are necessary to achieve completeness. The Secretary shall have 30 days to review a modified plan for completeness.

''(e) REVIEW FOR CONSISTENCY OF THE PLAN.—

''(1) After a determination that a plan is complete, the Secretary shall have 120 days to conduct a review of the plan, to ensure that it is consistent with the terms of the lease, and that it is consistent with all such statutory and regulatory requirements applicable to the lease. The review shall ensure that the plan is consistent with lease terms, and statutory and regulatory requirements applicable to the lease, related to national security or national defense, including any military operating stipulations or other restrictions. The Secretary shall seek the assistance of the Department of Defense in the conduct of the review of any plan prepared under this section for a lease containing military operating stipulations or other restrictions and shall accept the assistance of the Department of Defense in the conduct of the review of any plan prepared under this section for any other lease when the Secretary of Defense requests an opportunity to participate in the review. If the Secretary finds that the plan is not consistent, the Secretary shall notify the lessee with a detailed explanation of such modifications of such plan as are necessary to achieve consistency.

''(2) The Secretary shall have 120 days to review a modified plan.

''(3) The lessee shall not conduct any activities under the plan during any 120-day review period, or thereafter until the plan has been modified to achieve compliance as so notified.

''(4) After review by the Secretary provided for by this section, a lessee may operate pursuant to the plan without further review or approval by the Secretary.

''(f) REVIEW OF REVISION OF THE APPROVED PLAN.—The lessee may submit to the Secretary any revision of a plan if the lessee determines that such revision will lead to greater recovery of oil and natural gas, improve the efficiency, safety, and environmental protection of the recovery operation, is the only means available to avoid substantial economic hardship to the lessee, or is otherwise not inconsistent with the provisions of this Act, to the extent such revision is consistent with protection of the human, marine, and coastal environments. The process to be used for the review of any such revision shall be the same as that set forth in subsections (d) and (e).

''(g) CANCELLATION OF LEASE ON FAILURE TO SUBMIT PLAN OR COMPLY WITH A PLAN.—Whenever the owner of any lease fails to submit a plan in accordance with regulations issued under this section, or fails to comply with a plan, the lease may be canceled in accordance with section 5(c) and (d). Termination of a lease because of failure to comply with a plan, including required modifications or revisions, shall not entitle a lessee to any compensation.

''(h) PRODUCTION AND TRANSPORTATION OF NATURAL GAS; SUBMISSION OF PLAN TO FEDERAL ENERGY REGULATORY COMMISSION; IMPACT STATEMENT.—If any development and production plan submitted to the Secretary pursuant to this section provides for the production and transportation of natural gas, the lessee shall contemporaneously submit to the Federal Energy Regulatory Commission that portion of such plan that relates to the facilities for transportation of natural gas. The Secretary and the Federal Energy Regulatory Commission shall agree as to which of them shall prepare an environmental impact statement pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) applicable to such portion of such plan, or conduct studies as to the effect on the environment of implementing it. Thereafter, the findings and recommendations by the agency preparing such environmental impact statement or conducting such studies pursuant to such agreement shall be adopted by the other agency, and such other agency shall not independently prepare another environmental impact statement or duplicate such studies with respect to such portion of such plan, but the Federal Energy Regulatory Commission, in connection with its review of an application for a certificate of public convenience and necessity applicable to such transportation facilities pursuant to section 7 of the Natural Gas Act (15 U.S.C. 717f), may prepare such environmental studies or statement relevant to certification of such transportation facilities as have not been covered by an environmental impact statement or studies prepared by the Secretary. The Secretary, in consultation with the Federal Energy Regulatory Commission, shall promulgate rules to implement this subsection, but the Federal Energy Regulatory Commission shall retain sole authority with respect to rules and procedures applicable to the filing of any application with the Commission and to all aspects of the Commission's review of, and action on, any such application.''.

SEC. 14. FEDERAL ENERGY NATURAL RESOURCES ENHANCEMENT FUND ACT OF 2006.

(a) FINDINGS.—The Congress finds the following:

(1) Energy and minerals exploration, development, and production on Federal onshore and offshore lands, including bio-based fuel, natural gas, minerals, oil, geothermal, and power from wind, waves, currents, and thermal energy, involves significant outlays of funds by Federal and State wildlife, fish, and natural resource management agencies for environmental studies, planning, development, monitoring, and management of wildlife, fish, air, water, and other natural resources.

(2) State wildlife, fish, and natural resource management agencies are funded primarily through permit and license fees paid to the States by the general public to hunt and fish, and through Federal excise taxes on equipment used for these activities.

(3) Funds generated from consumptive and recreational uses of wildlife, fish, and other natural resources currently are inadequate to address the natural resources related to energy and minerals development on Federal onshore and offshore lands.

(4) Funds available to Federal agencies responsible for managing Federal onshore and offshore lands and Federal-trust wildlife and fish species and their habitats are inadequate to address the natural resources related to energy and minerals development on Federal onshore and offshore lands.

(5) Receipts derived from sales, bonus bids, and royalties under the mineral leasing laws of the United States are paid to the Treasury through the Minerals Management Service of the Department of the Interior.

(6) None of the receipts derived from sales, bonus bids, and royalties under the minerals leasing laws of the United States are paid to the Federal or State agencies to examine, monitor, and manage wildlife, fish, air, water, and other natural resources related to natural gas, oil, and mineral exploration and development.

(b) PURPOSES.—It is the purpose of this section to—

(1) establish a fund for the monitoring and management of wildlife and fish, and their habitats, and air, water, and other natural resources related to energy and minerals development on Federal onshore and offshore lands;

(2) make available receipts derived from sales, bonus bids, royalties, and fees from onshore and offshore gas, mineral, oil, and any additional form of energy and minerals development under the laws of the United States for the purposes of such fund;

(3) distribute funds from such fund each fiscal year to the Secretary of the Interior and the States; and

(4) use the distributed funds to secure the necessary trained workforce or contractual services to conduct environmental studies, planning, development, monitoring, and post-development management of wildlife and fish and their habitats and air, water, and other natural resources that may be related to bio-based fuel, gas, mineral, oil, wind, or other energy exploration, development, transportation, transmission, and associated activities on Federal onshore and offshore lands, including, but not limited to—

(A) pertinent research, surveys, and environmental analyses conducted to identify any impacts on wildlife, fish, air, water, and other natural resources from energy and mineral exploration, development, production, and transportation or transmission;

(B) projects to maintain, improve, or enhance wildlife and fish populations and their habitats or air, water, or other natural resources, including activities under the Endangered Species Act of 1973;

(C) research, surveys, environmental analyses, and projects that assist in managing, including mitigating either onsite or offsite, or both, the impacts of energy and mineral activities on

wildlife, fish, air, water, and other natural resources; and

(D) projects to teach young people to live off the land.

(c) DEFINITIONS.—In this section:

(1) ENHANCEMENT FUND.—The term ''Enhancement Fund'' means the Federal Energy Natural Resources Enhancement Fund established by subsection (d).

(2) STATE.—The term ''State'' means the Governor of the State.

(d) ESTABLISHMENT AND USE OF FEDERAL ENERGY NATURAL RESOURCES ENHANCEMENT FUND.—

(1) ENHANCEMENT FUND.—There is established in the Treasury a separate account to be known as the ''Federal Energy Natural Resources Enhancement Fund''.

(2) FUNDING.—The Secretary of the Treasury shall deposit in the Enhancement Fund—

(A) such sums as are provided by sections 9(b)(5)(A)(ii), 9(b)(5)(B)(ii), 9(c)(4)(A)(ii), and 9(c)(4)(B)(ii) of the Outer Continental Shelf Lands Act, as amended by this Act;

(B)(i) during the period of October 1, 2006, through September 30, 2015, one percent of all sums paid into the Treasury under section 35 of the Mineral Leasing Act (30 U.S.C. 191), and

(ii) beginning October 1, 2015, and thereafter, 2.5 percent of all sums paid into the Treasury under section 35 of the Mineral Leasing Act (30 U.S.C. 191); and

(C)(i) during the period of October 1, 2006, through September 30, 2015, one percent of all sums paid into the Treasury from receipts derived from bonus bids and royalties from other mineral leasing on public lands, and

(ii) beginning October 1, 2015, and thereafter, 2.5 percent of all sums paid into the Treasury from receipts derived from bonus bids and royalties from other mineral leasing on public lands.

(3) INVESTMENTS.—The Secretary of the Treasury shall invest the amounts deposited under paragraph (2) and all accrued interest on the amounts deposited under paragraph (2) only in interest bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

(4) PAYMENT TO SECRETARY OF THE INTERIOR.—

(A) IN GENERAL.—Beginning with fiscal year 2007, and in each fiscal year thereafter, one-third of amounts deposited into the Enhancement Fund, together with the interest thereon, shall be available, without fiscal year limitations, to the Secretary of the Interior for use for the purposes described in (b)(4).

(B) WITHDRAWALS AND TRANSFER OF FUNDS.—The Secretary of the Treasury shall withdraw such amounts from the Enhancement Fund as the Secretary of the Interior may request, subject to the limitation in (A), and transfer such amounts to the Secretary of the Interior to be used, at the discretion of the Secretary of the Interior, by the Minerals Management Service, the Bureau of Land Management, and the United States Fish and Wildlife Service for use for the purposes described in subsection (b)(4).

(5) PAYMENT TO STATES.—

(A) IN GENERAL.—Beginning with fiscal year 2007, and in each fiscal year thereafter, two-thirds of amounts deposited into the Enhancement Fund, together with the interest thereon, shall be available, without fiscal year limitations, to the States for use for the purposes described in (b)(4).

(B) WITHDRAWALS AND TRANSFER OF FUNDS.—Within the first 90 days of each fiscal year, the Secretary of the Treasury shall withdraw amounts from the Enhancement Fund and transfer such amounts to the States based on the proportion of all receipts that were collected the previous fiscal year from Federal leases within the boundaries of each State and each State's outer Continental Shelf Adjacent Zone as determined in accordance with section 4(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1333(a)), as amended by this Act.

(C) USE OF PAYMENTS BY STATE.—Each State shall use the payments made under subparagraph (B) only for carrying out projects and programs for the purposes described in (b)(4).

(D) ENCOURAGE USE OF PRIVATE FUNDS BY STATE.—Each State shall use the payments made under subparagraph (B) to leverage private funds for carrying out projects for the purposes described in (b)(4).

(e) LIMITATION ON USE.—Amounts available under this section may not be used for the purchase of any interest in land.

(f) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Beginning in fiscal year 2008 and continuing for each fiscal year thereafter, the Secretary of the Interior and each State receiving funds from the Enhancement Fund shall submit a report to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives.

(2) REQUIRED INFORMATION.—Reports submitted to the Congress by the Secretary of the Interior and States under this subsection shall include the following information regarding expenditures during the previous fiscal year:

(A) A summary of pertinent scientific research and surveys conducted to identify impacts on wildlife, fish, and other natural resources from energy and mineral developments.

(B) A summary of projects planned and completed to maintain, improve or enhance wildlife and fish populations and their habitats or other natural resources.

(C) A list of additional actions that assist, or would assist, in managing, including mitigating either onsite or offsite, or both, the impacts of energy and mineral development on wildlife, fish, and other natural resources.

(D) A summary of private (non-Federal) funds used to plan, conduct, and complete the plans and programs identified in paragraphs (2)(A) and (2)(B).

SEC. 15. TERMINATION OF EFFECT OF LAWS PROHIBITING THE SPENDING OF APPROPRIATED FUNDS FOR CERTAIN PURPOSES.

All provisions of existing Federal law prohibiting the spending of appropriated funds to conduct oil and natural gas leasing and preleasing activities, or to issue a lease to any person, for any area of the outer Continental Shelf shall have no force or effect.

SEC. 16. OUTER CONTINENTAL SHELF INCOMPATIBLE USE.

(a) IN GENERAL.—No Federal agency may permit construction or operation (or both) of any facility, or designate or maintain a restricted transportation corridor or operating area on the Federal outer Continental Shelf or in State waters, that will be incompatible with, as determined by the Secretary of the Interior, oil and gas or natural gas leasing and substantially full exploration and production of tracts that are geologically prospective for oil or natural gas (or both).

(b) EXCEPTIONS.—Subsection (a) shall not apply to any facility, transportation corridor, or operating area the construction, operation, designation, or maintenance of which is or will be—

(1) located in an area of the outer Continental Shelf that is unavailable for oil and gas or natural gas leasing by operation of law;

(2) used for a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note); or

(3) required in the national interest, as determined by the President.

SEC. 17. REPURCHASE OF CERTAIN LEASES.

(a) AUTHORITY TO REPURCHASE AND CANCEL CERTAIN LEASES.—The Secretary of the Interior shall repurchase and cancel any Federal oil and gas, geothermal, coal, oil shale, tar sands, or other mineral lease, whether onshore or offshore, if the Secretary finds that such lease qualifies for repurchase and cancellation under the regulations authorized by this section.

(b) REGULATIONS.—Not later than 365 days after the date of the enactment of this Act, the Secretary shall publish a final regulation stating the conditions under which a lease referred to in subsection (a) would qualify for repurchase and cancellation, and the process to be followed regarding repurchase and cancellation. Such regulation shall include, but not be limited to, the following:

(1) The Secretary shall repurchase and cancel a lease after written request by the lessee upon a finding by the Secretary that—

(A) a request by the lessee for a required permit or other approval complied with applicable law, except the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.), and terms of the lease and such permit or other approval was denied;

(B) a Federal agency failed to act on a request by the lessee for a required permit, other approval, or administrative appeal within a regulatory or statutory time-frame associated with the requested action, whether advisory or mandatory, or if none, within 180 days; or

(C) a Federal agency attached a condition of approval, without agreement by the lessee, to a required permit or other approval if such condition of approval was not mandated by Federal statute or regulation in effect on the date of lease issuance, or was not specifically allowed under the terms of the lease.

(2) A lessee shall not be required to exhaust administrative remedies regarding a permit request, administrative appeal, or other required request for approval for the purposes of this section.

(3) The Secretary shall make a final agency decision on a request by a lessee under this section within 180 days of request.

(4) Compensation to a lessee to repurchase and cancel a lease under this section shall be the amount that a lessee would receive in a restitution case for a material breach of contract.

(5) Compensation shall be in the form of a check or electronic transfer from the Department of the Treasury from funds deposited into miscellaneous receipts under the authority of the same Act that authorized the issuance of the lease being repurchased.

(6) Failure of the Secretary to make a final agency decision on a request by a lessee under this section within 180 days of request shall result in a 10 percent increase in the compensation due to the lessee if the lease is ultimately repurchased.

(c) NO PREJUDICE.—This section shall not be interpreted to prejudice any other rights that the lessee would have in the absence of this section.

SEC. 18. OFFSITE ENVIRONMENTAL MITIGATION.

Notwithstanding any other provision of law, any person conducting activities under the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Geothermal Steam Act (30 U.S.C. 1001 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.), the Weeks Act (16 U.S.C. 552 et seq.), the General Mining Act of 1872 (30 U.S.C. 22 et seq.), the Materials Act of 1947 (30 U.S.C. 601 et seq.), or the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), may in satisfying any mitigation requirements associated with such activities propose mitigation measures on a site away from the area impacted and the Secretary of the Interior shall accept these proposed measures if the Secretary finds that they generally achieve the purposes for which mitigation measures appertained.

SEC. 19. AMENDMENTS TO THE MINERAL LEASING ACT.

Section 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g)) is amended to read as follows:

''(g) REGULATION OF SURFACE-DISTURBING ACTIVITIES.—

''(1) REGULATION OF SURFACE-DISTURBING ACTIVITIES.—The Secretary of the Interior, or for National Forest lands, the Secretary of Agriculture, shall regulate all surface-disturbing activities conducted pursuant to any lease issued

under this Act, and shall determine reclamation and other actions as required in the interest of conservation of surface resources.

''(2) SUBMISSION OF EXPLORATION PLAN; COMPLETION REVIEW; COMPLIANCE REVIEW.—

''(A) Prior to beginning oil and gas exploration activities, a lessee shall submit an exploration plan to the Secretary of the Interior for review.

''(B) The Secretary shall review the plan for completeness within 10 days of submission.

''(C) In the event the exploration plan is determined to be incomplete, the Secretary shall notify the lessee in writing and specify the items or information needed to complete the exploration plan.

''(D) The Secretary shall have 10 days to review any modified exploration plan submitted by the lessee.

''(E) To be deemed complete, an exploration plan shall include, in the degree of detail to be determined by the Secretary by rule or regulation—

''(i) a drilling plan containing a description of the drilling program;

''(ii) the surface and projected completion zone location;

''(iii) pertinent geologic data;

''(iv) expected hazards, and proposed mitigation measures to address such hazards;

''(v) a schedule of anticipated exploration activities to be undertaken;

''(vi) a description of equipment to be used for such activities;

''(vii) a certification from the lessee stating that the exploration plan complies with all lease, regulatory and statutory requirements in effect on the date of the issuance of the lease and any regulations promulgated after the date of lease issuance related to the conservation of resources;

''(viii) evidence that the lessee has secured an adequate bond, surety, or other financial arrangement prior to commencement of any surface disturbing activity;

''(ix) a plan that details the complete and timely reclamation of the lease tract; and

''(x) such other relevant information as the Secretary may by regulation require.

''(F) Upon a determination that the exploration plan is complete, the Secretary shall have 30 days from the date the plan is deemed complete to conduct a review of the plan.

''(G) If the Secretary finds the exploration plan is not consistent with all statutory and regulatory requirements described in subparagraph (E)(vii), the Secretary shall notify the lessee with a detailed explanation of such modifications of the exploration plan as are necessary to achieve compliance.

''(H) The lessee shall not take any action under the exploration plan within a 30 day review period, or thereafter until the plan has been modified to achieve compliance as so notified.

''(I) After review by the Secretary provided by this subsection, a lessee may operate pursuant to the plan without further review or approval by the Secretary.

''(3) PLAN REVISIONS; CONDUCT OF EXPLORATION ACTIVITIES.—

''(A) If a significant revision of an exploration plan under this subsection is submitted to the Secretary, the process to be used for the review of such revision shall be the same as set forth in paragraph (1) of this subsection.

''(B) All exploration activities pursuant to any lease shall be conducted in accordance with an exploration plan that has been submitted to and reviewed by the Secretary or a revision of such plan.

''(4) SUBMISSION OF DEVELOPMENT AND PRODUCTION PLAN; COMPLETENESS REVIEW; COMPLIANCE REVIEW.—

''(A) Prior to beginning oil and gas development and production activities, a lessee shall submit a development and exploration plan to the Secretary of the Interior. Upon submission, such plans shall be subject to a review for completeness.

''(B) The Secretary shall review the plan for completeness within 30 days of submission.

''(C) In the event a development and production plan is determined to be incomplete, the Secretary shall notify the lessee in writing and specify the items or information needed to complete the plan.

''(D) The Secretary shall have 30 days to review for completeness any modified development and production plan submitted by the lessee.

''(E) To be deemed complete, a development and production plan shall include, in the degree of detail to be determined by the Secretary by rule or regulation—

''(i) a drilling plan containing a description of the drilling program;

''(ii) the surface and projected completion zone location;

''(iii) pertinent geologic data;

''(iv) expected hazards, and proposed mitigation measures to address such hazards;

''(v) a statement describing all facilities and operations proposed by the lessee and known by the lessee (whether or not owned or operated by such lessee) that shall be constructed or utilized in the development and production of oil or gas from the leases areas, including the location and site of such facilities and operations, the land, labor, material, and energy requirements associated with such facilities and operations;

''(vi) the general work to be performed;

''(vii) the environmental safeguards to be implemented in connection with the development and production and how such safeguards are to be implemented;

''(viii) all safety standards to be met and how such standards are to be met;

''(ix) an expected rate of development and production and a time schedule for performance;

''(x) a certification from the lessee stating that the development and production plan complies with all lease, regulatory, and statutory requirements in effect on the date of issuance of the lease, and any regulations promulgated after the date of lease issuance related to the conservation of resources;

''(xi) evidence that the lessee has secured an adequate bond, surety, or other financial arrangement prior to commencement of any surface disturbing activity;

''(xii) a plan that details the complete and timely reclamation of the lease tract; and

''(xiii) such other relevant information as the Secretary may by regulation require.

''(F) Upon a determination that the development and production plan is complete, the Secretary shall have 120 days from the date the plan is deemed complete to conduct a review of the plan.

''(G) If the Secretary finds the development and production plan is not consistent with all statutory and regulatory requirements described in subparagraph (E)(x), the Secretary shall notify the lessee with a detailed explanation of such modifications of the development and production plan as are necessary to achieve compliance.

''(H) The lessee shall not take any action under the development and production plan within a 120 day review period, or thereafter until the plan has been modified to achieve compliance as so notified.

''(5) PLAN REVISIONS; CONDUCT OF DEVELOPMENT AND PRODUCTION ACTIVITIES.—

''(A) If a significant revision of a development and production plan under this subsection is submitted to the Secretary, the process to be used for the review of such revision shall be the same as set forth in paragraph (4) of this subsection.

''(B) All development and production activities pursuant to any lease shall be conducted in accordance with a development and production plan that has been submitted to and reviewed by the Secretary or a revision of such plan.

''(6) CANCELLATION OF LEASE ON FAILURE TO SUBMIT PLAN OR COMPLY WITH APPROVED PLAN.—Whenever the owner of any lease fails to submit a plan in accordance with regulations issued under this section, or fails to comply with a plan, the lease may be canceled in accordance with section 31. Termination of a lease because of failure to comply with a plan, including required modifications or revisions, shall not entitle a lessee to any compensation.''.

SEC. 20. MINERALS MANAGEMENT SERVICE.

The bureau known as the ''Minerals Management Service'' in the Department of the Interior shall be known as the ''National Ocean Resources and Royalty Service''.

SEC. 21. AUTHORITY TO USE DECOMMISSIONED OFFSHORE OIL AND GAS PLATFORMS AND OTHER FACILITIES FOR ARTIFICIAL REEF, SCIENTIFIC RESEARCH, OR OTHER USES.

(a) SHORT TITLE.—This section may be cited as the ''Rigs to Reefs Act of 2006''.

(b) IN GENERAL.—The Outer Continental Shelf Lands Act (43 U.S.C. 1301 et seq.) is amended by inserting after section 9 the following:

''SEC. 10. USE OF DECOMMISSIONED OFFSHORE OIL AND GAS PLATFORMS AND OTHER FACILITIES FOR ARTIFICIAL REEF, SCIENTIFIC RESEARCH, OR OTHER USES.

''(a) IN GENERAL.—The Secretary shall issue regulations under which the Secretary may authorize use of an offshore oil and gas platform or other facility that is decommissioned from service for oil and gas purposes for an artificial reef, scientific research, or any other use authorized under section 8(p) or any other applicable Federal law.

''(b) TRANSFER REQUIREMENTS.—The Secretary shall not allow the transfer of a decommissioned offshore oil and gas platform or other facility to another person unless the Secretary is satisfied that the transferee is sufficiently bonded, endowed, or otherwise financially able to fulfill its obligations, including but not limited to—

''(1) ongoing maintenance of the platform or other facility;

''(2) any liability obligations that might arise;

''(3) removal of the platform or other facility if determined necessary by the Secretary; and

''(4) any other requirements and obligations that the Secretary may deem appropriate by regulation.

''(c) PLUGGING AND ABANDONMENT.—The Secretary shall ensure that plugging and abandonment of wells is accomplished at an appropriate time.

''(d) POTENTIAL TO PETITION TO OPT-OUT OF REGULATIONS.—An Adjacent State acting through a resolution of its legislature, with concurrence of its Governor, may preliminarily petition to opt-out of the application of regulations promulgated under this section to platforms and other facilities located in the area of its Adjacent Zone within 12 miles of the coastline. Upon receipt of the preliminary petition, the Secretary shall complete an environmental assessment that documents the anticipated environmental effects of approving the petition. The Secretary shall provide the environmental assessment to the State, which then has the choice of no action or confirming its petition by further action of its legislature, with the concurrence of its Governor. The Secretary is authorized to except such area from the application of such regulations, and shall approve any confirmed petition.

''(e) LIMITATION ON LIABILITY.—A person that had used an offshore oil and gas platform or other facility for oil and gas purposes and that no longer has any ownership or control of the platform or other facility shall not be liable under Federal law for any costs or damages arising from such platform or other facility after the date the platform or other facility is used for any purpose under subsection (a), unless such costs or damages arise from—

''(1) use of the platform or other facility by the person for development or production of oil or gas; or

''(2) another act or omission of the person.

''(f) OTHER LEASING AND USE NOT AFFECTED.—This section, and the use of any offshore oil and gas platform or other facility for any purpose under subsection (a), shall not affect—

''(1) the authority of the Secretary to lease any area under this Act; or

''(2) any activity otherwise authorized under this Act.''.

(c) DEADLINE FOR REGULATIONS.—The Secretary of the Interior shall issue regulations under subsection (b) by not later than 180 days after the date of the enactment of this Act.

(d) STUDY AND REPORT ON EFFECTS OF REMOVAL OF PLATFORMS.—Not later than one year after the date of enactment of this Act, the Secretary of the Interior, in consultation with other Federal agencies as the Secretary deems advisable, shall study and report to the Congress regarding how the removal of offshore oil and gas platforms and other facilities from the outer Continental Shelf would affect existing fish stocks and coral populations.

SEC. 22. REPEAL OF REQUIREMENT TO CONDUCT COMPREHENSIVE INVENTORY OF OCS OIL AND NATURAL GAS RESOURCES.

The Energy Policy Act of 2005 (Public Law 109–58) is amended—

(1) by repealing section 357 (119 Stat. 720; 42 U.S.C. 15912); and

(2) in the table of contents in section 1(b), by striking the item relating to such section 357.

SEC. 23. MINING AND PETROLEUM SCHOOLS.

(a) FEDERAL ENERGY AND MINERAL RESOURCES PROFESSIONAL DEVELOPMENT FUND.—

(1) PROFESSIONAL DEVELOPMENT FUND.—There is established in the Treasury a separate account to be known as the ''Federal Energy And Mineral Resources Professional Development Fund'' (in this section referred to as the ''Professional Development Fund'').

(2) FUNDING.—The Secretary of the Treasury shall deposit in the Professional Development Fund—

(A) such sums as are provided by sections 9(b)(5)(A)(iii), 9(b)(5)(B)(iii), 9(c)(4)(A)(iii), and 9(c)(4)(B)(iii) of the Outer Continental Shelf Lands Act, as amended by this Act;

(B)(i) during the period of October 1, 2006, through September 30, 2015, one percent of all sums paid into the Treasury under section 35 of the Mineral Leasing Act (30 U.S.C. 191), and

(ii) beginning October 1, 2015, and thereafter, 2.5 percent of all sums paid into the Treasury under section 35 of the Mineral Leasing Act (30 U.S.C. 191);

(C)(i) during the period of October 1, 2006, through September 30, 2015, one percent of all sums paid into the Treasury from receipts derived from bonus bids and royalties from other mineral leasing on public lands, and

(ii) beginning October 1, 2015, and thereafter, 2.5 percent of all sums paid into the Treasury from receipts derived from bonus bids and royalties from other mineral leasing on public lands;

(D) donations received under paragraph (4);

(E) amounts referred to in section 2325 of the Revised Statutes; and

(F) funds received under section 10 of the Energy and Mineral Schools Reinvestment Act, as amended by this Act.

(3) INVESTMENTS.—The Secretary of the Treasury shall invest the amounts deposited under paragraph (2) and all accrued interest on the amounts deposited under paragraph (2) only in interest bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

(4) DONATIONS.—The Secretary of the Interior may solicit and accept donations of funds for deposit into the Professional Development Fund.

(5) AVAILABILITY TO SECRETARY OF THE INTERIOR.—

(A) IN GENERAL.—Beginning with fiscal year 2007, and in each fiscal year thereafter, the amounts deposited into the Professional Development Fund, together with the interest thereon, shall be available, without fiscal year limitations, to the Secretary of the Interior for use to carry out the Energy and Mineral Schools Reinvestment Act.

(B) WITHDRAWALS AND TRANSFER OF FUNDS.—The Secretary of the Treasury shall withdraw such amounts from the Professional Development Fund as the Secretary of the Interior may request and transfer such amounts to the Secretary of the Interior to be used, at the discretion of the Secretary to carry out the Energy and Mineral Schools Reinvestment Act.

(b) MAINTENANCE AND RESTORATION OF EXISTING AND HISTORIC PETROLEUM AND MINING ENGINEERING PROGRAMS.—Public Law 98–409 (30 U.S.C. 1221 et seq.) is amended to read as follows:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Energy and Mineral Schools Reinvestment Act'.

''SEC. 2. POLICY.

''It is the policy of the United States to maintain the human capital needed to preserve and foster the economic, energy, and mineral resources security of the United States. The petroleum and mining engineering programs and the applied geology and geophysics programs at State chartered schools, universities, and institutions that produce human capital are national assets and should be assisted with Federal funds to ensure their continued health and existence.

''SEC. 3. MAINTAINING AND RESTORING HISTORIC AND EXISTING PETROLEUM AND MINING ENGINEERING EDUCATION PROGRAMS.

''(a) Using the funds in the Federal Energy And Mineral Resources Professional Development Fund, the Secretary of the Interior (in this Act referred to as the 'Secretary') shall provide funds to each historic and existing State-chartered recognized petroleum or mining school to assist such schools, universities, and institutions in maintaining programs in petroleum, mining, and mineral engineering education and research. All funds shall be directed only to these programs and shall be subject to the conditions of this section. Such funds shall not be less than 33 percent of the annual outlay of funds under this Act.

''(b) In this Act the term 'historic and existing State-chartered recognized petroleum or mining school' means a school, university, or educational institution with the presence of an engineering program meeting the specific program criteria, established by the member societies of ABET, Inc., for petroleum, mining, or mineral engineering and that is accredited on the date of enactment of the Deep Ocean Energy Resources Act of 2006 by ABET, Inc.

''(c) It shall be the duty of each school, university, or institution receiving funds under this section to provide for and enhance the training of undergraduate and graduate petroleum, mining, and mineral engineers through research, investigations, demonstrations, and experiments. All such work shall be carried out in a manner that will enhance undergraduate education.

''(d) Each school, university, or institution receiving funds under this Act shall maintain the program for which the funds are provided for 10 years after the date of the first receipt of such funds and take steps agreed to by the Secretary to increase the number of undergraduate students enrolled in and completing the programs of study in petroleum, mining, and mineral engineering.

''(e) The research, investigation, demonstration, experiment, and training authorized by this section may include development and production of conventional and non-conventional fuel resources, the production of metallic and non-metallic mineral resources including industrial mineral resources, and the production of stone, sand, and gravel. In all cases the work carried out with funds made available under this Act shall include a significant opportunity for participation by undergraduate students.

''(f) Research funded by this Act related to energy and mineral resource development and production may include studies of petroleum, mining, and mineral extraction and immediately related beneficiation technology; mineral economics, reclamation technology and practices for active operations, and the development of remining systems and technologies to facilitate reclamation that fosters the ultimate recovery of resources at abandoned petroleum, mining, and aggregate production sites.

''(g) Grants for basic science and engineering studies and research shall not require additional participation by funding partners. Grants for studies to demonstrate the proof of concept for science and engineering or the demonstration of feasibility and implementation shall include participation by industry and may include funding from other Federal agencies.

''(h)(1) No funds made available under this section shall be applied to the acquisition by purchase or lease of any land or interests therein, or the rental, purchase, construction, preservation, or repair of any building.

''(2) Funding made available under this section may be used with the express approval of the Secretary for proposals that will provide for maintaining or upgrading of existing laboratories and laboratory equipment. Funding for such maintenance shall not be used for university overhead expenses.

''(3) Funding made available under this Act may be used for maintaining and upgrading mines and oil and gas drilling rigs owned by a school, university, or institution described in this section that are used for undergraduate and graduate training and worker safety training. All requests for funding such mines and oil and gas drilling rigs must demonstrate that they have been owned by the school, university, or institution for 5 years prior to the date of enactment of the Deep Ocean Energy Resources Act of 2006 and have been actively used for instructional or training purposes during that time.

''(4) Any funding made available under this section for research, investigation, demonstration, experiment, or training shall not be used for university overhead charges in excess of 10 percent of the amount authorized by the Secretary.

''SEC. 4. FORMER AND NEW PETROLEUM AND MINING ENGINEERING PROGRAMS.

''A school, university, or educational institution that formerly met the requirements of section 3(b) immediately before the date of the enactment of the Deep Ocean Energy Resources Act of 2006, or that seeks to establish a new program described in section 3(b), shall be eligible for funding under this Act only if it—

''(1) establishes a petroleum, mining, or mineral engineering program that meets the specific program criteria and is accredited as such by ABET, Inc.;

''(2) agrees to the conditions of subsections (c) through (h) of section 3 and the Secretary, as advised by the Committee established by section 11, determines that the program will strengthen and increase the number of nationally available, well- qualified faculty members in petroleum, mining, and mineral engineering; and

''(3) agrees to maintain the accredited program for 10 years after the date of the first receipt of funds under this Act.

''SEC. 5. FUNDING OF CONSORTIA OF HISTORIC AND EXISTING SCHOOLS.

''Where appropriate, the Secretary may make funds available to consortia of schools, universities, or institutions described in sections 3, 4, and 6, including those consortia that include schools, universities, or institutions that are ineligible for funds under this Act if those schools, universities, or institutions, respectively, have skills, programs, or facilities specifically identified as needed by the consortia to meet the necessary expenses for purposes of—

''(1) specific energy and mineral research projects of broad application that could not otherwise be undertaken, including the expenses of planning and coordinating regional petroleum, geothermal, mining, and mineral engineering or beneficiation projects by two or more schools; and

''(2) research into any aspects of petroleum, geothermal, mining, or mineral engineering or beneficiation problems, including but not limited to exploration, that are related to the mission of the Department of the Interior and that are considered by the Committee to be desirable.

''SEC. 6. SUPPORT FOR SCHOOLS WITH ENERGY AND MINERAL RESOURCE PROGRAMS IN PETROLEUM AND MINERAL EXPLORATION GEOLOGY, PETROLEUM GEOPHYSICS, OR MINING GEOPHYSICS.

''(a) Twenty percent of the annual outlay of funds under this Act may be granted to schools, universities, and institutions other than those described in sections 3 and 4.

''(b) The Secretary, as advised by the Committee established by section 11, shall determine the eligibility of a college or university to receive funding under this Act using criteria that include—

''(1) the presence of a substantial program of undergraduate and graduate geoscience instruction and research in one or more of the following specialties: petroleum geology, geothermal geology, mineral exploration geology, economic geology, industrial minerals geology, mining geology, petroleum geophysics, mining geophysics, geological engineering, or geophysical engineering that has a demonstrated history of achievement;

''(2) evidence of institutional commitment for the purposes of this Act that includes a significant opportunity for participation by undergraduate students in research;

''(3) evidence that such school, university, or institution has or can obtain significant industrial cooperation in activities within the scope of this Act;

''(4) agreement by the school, university, or institution to maintain the programs for which the funding is sought for the 10-year period beginning on the date the school, university, or institution first receives such funds; and

''(5) requiring that such funding shall be for the purposes set forth in subsections (c) through (h) of section 3 and subject to the conditions set forth in section 3(h).

''SEC. 7. DESIGNATION OF FUNDS FOR SCHOLARSHIPS AND FELLOWSHIPS.

''(a) The Secretary shall utilize 19 percent of the annual outlay of funds under this Act for the purpose of providing merit-based scholarships for undergraduate education, graduate fellowships, and postdoctoral fellowships.

''(b) In order to receive a scholarship or a graduate fellowship, an individual student must be a lawful permanent resident of the United States or a United States citizen and must agree in writing to complete a course of studies and receive a degree in petroleum, mining, or mineral engineering, petroleum geology, geothermal geology, mining and economic geology, petroleum and mining geophysics, or mineral economics.

''(c) The regulations required by section 9 shall require that an individual, in order to retain a scholarship or graduate fellowship, must continue in one of the course of studies listed in subsection (b) of this section, must remain in good academic standing, as determined by the school, institution, or university and must allow for reinstatement of the scholarship or graduate fellowship by the Secretary, upon the recommendation of the school or institution. Such regulations may also provide for recovery of funds from an individual who fails to complete any of the courses of study listed in subsection (b) of this section after notice that such completion is a requirement of receipt funding under this Act.

''SEC. 8. FUNDING CRITERIA FOR INSTITUTIONS.

''(a) Each application for funds under this Act shall state, among other things, the nature of the project to be undertaken; the period during which it will be pursued; the qualifications of the personnel who will direct and conduct it; the estimated costs; the importance of the project to the Nation, region, or States concerned; its relation to other known research projects theretofore pursued or being pursued; the extent to which the proposed project will maximize the opportunity for the training of undergraduate petroleum, mining, and mineral engineers; geologists and geophysicists; and the extent of participation by nongovernmental sources in the project.

''(b) No funds shall be made available under this Act except for a project approved by the Secretary. All funds shall be made available upon the basis of merit of the project, the need for the knowledge that it is expected to produce when completed, and the opportunity it provides for the undergraduate training of individuals as petroleum, mining, and mineral engineers, geologists, and geophysicists.

''(c) Funds available under this Act shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by the Secretary. Each school, university, or institution that receives funds under this Act shall—

''(1) establish its plan to provide for the training of individuals as petroleum, mining, and mineral engineers, geologists, and geophysicists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields;

''(2) establish policies and procedures that assure that Federal funds made available under this Act for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this Act, and in no case supplant such funds; and

''(3) have an officer appointed by its governing authority who shall receive and account for all funds paid under this Act and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under this Act during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary.

''(d) If any of the funds received by the authorized receiving officer of a program under this Act are found by the Secretary to have been improperly diminished, lost, or misapplied, such funds shall be recovered by the Secretary.

''(e) Schools, universities, and institutions receiving funds under this Act are authorized and encouraged to plan and conduct programs under this Act in cooperation with each other and with such other agencies, business enterprises and individuals.

''SEC. 9. DUTIES OF SECRETARY.

''(a) The Secretary, acting through the Assistant Secretary for Land and Minerals Management, shall administer this Act and shall prescribe such rules and regulations as may be necessary to carry out its provisions not later than 1 year after the enactment of the Deep Ocean Energy Resources Act of 2006.

''(b)(1) There is established in the Department of the Interior, under the supervision of the Assistant Secretary for Land and Minerals Management, an office to be known as the Office of Petroleum and Mining Schools (hereafter in this Act referred to as the 'Office') to administer the provisions of this Act. There shall be a Director of the Office who shall be a member of the Senior Executive Service. The position of the Director shall be allocated from among the existing Senior Executive Service positions at the Department of the Interior and shall be a career reserved position as defined in section 3132(a)(8) of title 5, United States Code.

''(2) The Director is authorized to appoint a Deputy Director and to employ such officers and employees as may be necessary to enable the Office to carry out its functions, not to exceed fifteen. Such appointments shall be made from existing positions at the Department of the Interior, and shall be subject to the provisions of title 5, United States Code, governing appointments in the competitive service. Such positions shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

''(3) In carrying out his or her functions, the Director shall assist and advise the Secretary and the Committee established by section 11 of this Act by

''(A) providing professional and administrative staff support for the Committee including recordkeeping and maintaining minutes of all Committee and subcommittee meetings;

''(B) coordinating the activities of the Committee with Federal agencies and departments, and the schools, universities, and institutions to which funds are provided under this Act;

''(C) maintaining accurate records of funds disbursed for all scholarships, fellowships, research grants, and grants for career technical education purposes;

''(D) preparing any regulations required to implement this Act;

''(E) conducting site visits at schools, universities, and institutions receiving funding under this Act; and

''(F) serving as a central repository for reports and clearing house for public information on research funded by this Act.

''(4) The Director or an employee of the Office shall be present at each meeting of the Committee established by section 11 or a subcommittee of such Committee.

''(5) The Director is authorized to contract with public or private agencies, institutions, and organizations and with individuals without regard to section 3324(a) and (b) of title 31, United States Code, and section 5 of title 41, United States Code, in carrying out his or her functions.

''(6) As needed the Director shall ascertain whether the requirements of this Act have been met by schools, universities, institutions, and individuals, including the payment of any revenues derived from patents into the fund created by section 23(a) of this Act as required by section 10(d).

''(c) The Secretary, acting through the Office of Petroleum and Mining Schools, shall furnish such advice and assistance as will best promote the purposes of this Act, shall participate in coordinating research, investigations, demonstrations, and experiments initiated under this Act, shall indicate to schools, universities, and institutions receiving funds under this Act such lines of inquiry that seem most important, and shall encourage and assist in the establishment and maintenance of cooperation between such schools, universities, and institutions, other research organizations, the Department of the Interior, and other Federal agencies.

''(d) The Secretary shall establish procedures—

''(1) to ensure that each employee and contractor of the Office established by this section and each member of the committee established by section 11 of this Act shall disclose to the Secretary any financial interests in or financial relationships with schools, universities, institutions or individuals receiving funds, scholarships or fellowships under this Act;

''(2) to require any employee, contractor, or member of the committee with a financial relationship disclosed under paragraph (1) to recuse themselves from—

''(A) any recommendation or decision regarding the awarding of funds, scholarships or fellowships; or

''(B) any review, report, analysis or investigation regarding compliance with the provisions of

this Act by a school, university, institution or any individual.

''(e) On or before the first day of July of each year beginning after the date of enactment of this sentence, schools, universities, and institutions receiving funds under this Act shall certify compliance with this Act and upon request of the Director of the office established by this section provide documentation of such compliance.

''(f) An individual granted a scholarship or fellowship with funds provided under this Act shall through their respective school, university, or institution, advise the Director of the office established by this Act of progress towards completion of the course of studies and upon the awarding of the degree within 30 days after the award.

''(g) The regulations required by this section shall include a preference for veterans and service members who have received or will receive either the Afghanistan Campaign Medal or the Iraq Campaign Medal as authorized by Public Law 108–234, and Executive Order 13363.

"SEC. 10. COORDINATION.

''(a) Nothing in this Act shall be construed to impair or modify the legal relationship existing between any of the schools, universities, and institutions under whose direction a program is established with funds provided under this Act and the government of the State in which it is located. Nothing in this Act shall in any way be construed to authorize Federal control or direction of education at any school, university, or institution.

''(b) The programs authorized by this Act are intended to enhance the Nation's petroleum, mining, and mineral engineering education programs and to enhance educational programs in petroleum and mining exploration and to increase the number of individuals enrolled in and completing these programs. To achieve this intent, the Secretary and the Committee established by section 11 shall receive the continuing advice and cooperation of all agencies of the Federal Government concerned with the identification, exploration, and development of energy and mineral resources.

''(c) Nothing in this Act is intended to give or shall be construed as giving the Secretary any authority over mining and mineral resources research conducted by any agency of the Federal Government, or as repealing or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with regard to mining and mineral resources.

''(d) The schools, universities, and institutions receiving funding under this Act shall make detailed reports to the Office of Petroleum and Mining Schools on projects completed, in progress, or planned with funds provided under this Act. All such reports shall available to the public on not less than an annual basis through the Office of Petroleum and Mining Schools. All uses, products, processes, patents, and other developments resulting from any research, demonstration, or experiment funded in whole or in part under this Act shall be made available promptly to the general public, subject to exception or limitation, if any, as the Secretary may find necessary in the interest of national security. Schools, universities, and institutions receiving patents for inventions funded in whole or in part under this Act shall be governed by the applicable Federal law, except that one percent of gross annual revenues due to the holders of the patents that are derived from such patents shall be paid by the holders of the patents to the Federal Energy and Mineral Resources Professional Development Fund established by section 23(a) of the Deep Ocean Energy Resources Act of 2006.

"SEC. 11. COMMITTEE ON PETROLEUM, MINING, AND MINERAL ENGINEERING AND ENERGY AND MINERAL RESOURCE EDUCATION.

''(a) The Secretary shall appoint a Committee on Petroleum, Mining, and Mineral Engineering and Energy and Mineral Resource Education composed of—

''(1) the Assistant Secretary of the Interior responsible for land and minerals management and not more than 16 other persons who are knowledgeable in the fields of mining and mineral resources research, including 2 university administrators one of whom shall be from historic and existing petroleum and mining schools; a community, technical, or tribal college administrator; a career technical education educator; 6 representatives equally distributed from the petroleum, mining, and aggregate industries; a working miner; a working oilfield worker; a representative of the Interstate Oil and Gas Compact Commission; a representative from the Interstate Mining Compact Commission; a representative from the Western Governors Association; a representative of the State geologists, and a representative of a State mining and reclamation agency. In making these 16 appointments, the Secretary shall consult with interested groups.

''(2) The Assistant Secretary for Land and Minerals Management, in the capacity of the Chairman of the Committee, may have present during meetings of the Committee representatives of Federal agencies with responsibility for energy and minerals resources management, energy and mineral resource investigations, energy and mineral commodity information, international trade in energy and mineral commodities, mining safety regulation and mine safety research, and research into the development, production, and utilization of energy and mineral commodities. These representatives shall serve as technical advisors to the committee and shall have no voting responsibilities.

''(b) The Committee shall consult with, and make recommendations to, the Secretary on all matters relating to funding energy and mineral resources research, the awarding of scholarships and fellowships and allocation of funding made under this Act. The Secretary shall consult with and carefully consider recommendations of the Committee in such matters.

''(c) Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing Committee business, paid at a rate fixed by the Secretary but not in excess of the daily equivalent of the maximum rate of pay for level IV of the Executive Schedule under section 5136 of title 5, United States Code, and shall be fully reimbursed for travel, subsistence, and related expenses.

''(d) The Committee shall be chaired by the Assistant Secretary of the Interior responsible for land and minerals management. There shall also be elected a Vice Chairman by the Committee from among the members referred to in this section. The Vice Chairman shall perform such duties as are determined to be appropriate by the committee, except that the Chairman of the Committee must personally preside at all meetings of the full Committee. The Committee may organize itself into such subcommittees as the Committee may deem appropriate.

''(e) Following completion of the report required by section 385 of the Energy Policy Act of 2005, the Committee shall consider the recommendations of the report, ongoing efforts in the schools, universities, and institutions receiving funding under this Act, the Federal and State Governments, and the private sector, and shall formulate and recommend to the Secretary a national plan for a program utilizing the fiscal resources provided under this Act. The Committee shall submit such plan to the Secretary for approval. Upon approval, the plan shall guide the Secretary and the Committee in their actions under this Act.

''(f) Section 10 of the Federal Advisory Committee Act (5 U.S.C. App. 2) shall not apply to the Committee.

"SEC. 12. CAREER TECHNICAL EDUCATION.

''(a) Up to 25 percent of the annual outlay of funds under this Act may be granted to schools or institutions including, but not limited to, colleges, universities, community colleges, tribal colleges, technical institutes, and secondary schools, other than those described in sections 3, 4, 5, and 6.

''(b) The Secretary, as advised by the Committee established under section 11, shall determine the eligibility of a school or institution to receive funding under this section using criteria that include—

''(1) the presence of a State-approved program in mining engineering technology, petroleum engineering technology, industrial engineering technology, or industrial technology that—

''(A) is focused on technology and its use in energy and mineral production and related maintenance, operational safety, or energy infrastructure protection and security;

''(B) prepares students for advanced or supervisory roles in the mining industry or the petroleum industry; and

''(C) grants either an associate's degree or a baccalaureate degree in one of the subjects listed in subparagraph (A);

''(2) the presence of a program, including a secondary school vocational education program or career academy, that provides training for individuals entering the petroleum, coal mining, or mineral mining industries; or

''(3) the presence of a State-approved program of career technical education at a secondary school, offered cooperatively with a community college in one of the industrial sectors of—

''(A) agriculture, forestry, or fisheries;

''(B) utilities;

''(C) construction;

''(D) manufacturing; and

''(E) transportation and warehousing.

''(c) Schools or institutions receiving funds under this section must show evidence of an institutional commitment for the purposes of career technical education and provide evidence that the school or institution has received or will receive industry cooperation in the form of equipment, employee time, or donations of funds to support the activities that are within the scope of this section.

''(d) Schools or institutions receiving funds under this section must agree to maintain the programs for which the funding is sought for a period of 10 years beginning on the date the school or institution receives such funds, unless the Secretary finds that a shorter period of time is appropriate for the local labor market or is required by State authorities.

''(e) Schools or institutions receiving funds under this section may combine these funds with State funds, and other Federal funds where allowed by law, to carry out programs described in this section, however the use of the funds received under this section must be reported to the Secretary not less than annually.

"SEC. 13. DEPARTMENT OF THE INTERIOR WORKFORCE ENHANCEMENT.

''(a) PHYSICAL SCIENCE, ENGINEERING AND TECHNOLOGY SCHOLARSHIP PROGRAM.—

''(1) From the funds made available to carry out this section, the Secretary shall use 30 percent of that amount to provide financial assistance for education in physical sciences, engineering, and engineering or industrial technology and disciplines that, as determined by the Secretary, are critical to the functions of the Department of the Interior and are needed in the Department of the Interior workforce.

''(2) The Secretary of the Interior may award a scholarship in accordance with this section to a person who—

''(A) is a citizen of the United States;

''(B) is pursuing an undergraduate or advanced degree in a critical skill or discipline described in paragraph (1) at an institution of higher education; and

''(C) enters into a service agreement with the Secretary of the Interior as described in subsection (e).

''(3) The amount of the financial assistance provided under a scholarship awarded to a person under this subsection shall be the amount determined by the Secretary of the Interior as being necessary to pay all educational expenses incurred by that person, including tuition, fees, cost of books, laboratory expenses, and expenses of room and board. The expenses paid, however, shall be limited to those educational expenses normally incurred by students at the institution of higher education involved.

''(b) SCHOLARSHIP PROGRAM FOR STUDENTS ATTENDING MINORITY SERVING HIGHER EDUCATION INSTITUTIONS.—

''(1) From the funds made available to carry out this section, the Secretary shall use 25 percent of that amount to award scholarships in accordance with this section to persons who—

''(A) are enrolled in a Minority Serving Higher Education Institutions.

''(B) are citizens of the United States;

''(C) are pursuing an undergraduate or advanced degree in agriculture, engineering, engineering or industrial technology, or physical sciences, or other discipline that is found by the Secretary to be critical to the functions of the Department of the Interior and are needed in the Department of the Interior workforce; and

''(D) enter into a service agreement with the Secretary of the Interior as described in subsection (e).

''(2) The amount of the financial assistance provided under a scholarship awarded to a person under this subsection shall be the amount determined by the Secretary of the Interior as being necessary to pay all educational expenses incurred by that person, including tuition, fees, cost of books, laboratory expenses, and expenses of room and board. The expenses paid, however, shall be limited to those educational expenses normally incurred by students at the institution of higher education involved.

''(c) EDUCATION PARTNERSHIPS WITH MINORITY SERVING HIGHER EDUCATION INSTITUTIONS.—

''(1) The Secretary shall require the director of each Bureau and Office, to foster the participation of Minority Serving Higher Education Institutions in any regulatory activity, land management activity, science activity, engineering or industrial technology activity, or engineering activity carried out by the Department of the Interior.

''(2) From the funds made available to carry out this section, the Secretary shall use 25 percent of that amount to support activities at Minority Serving Higher Education Institutions by—

''(A) funding faculty and students in these institutions in collaborative research projects that are directly related to the Departmental or Bureau missions;

''(B) allowing equipment transfer to Minority Serving Higher Education Institutions as a part of a collaborative research program directly related to a Departmental or Bureau mission;

''(C) allowing faculty and students at these Minority Serving Higher Education Institutions to participate Departmental and Bureau training activities;

''(D) funding paid internships in Departmental and Bureau facilities for students at Minority Serving Higher Education Institutions;

''(E) assigning Departmental and Bureau personnel to positions located at Minority Serving Higher Educational Institutions to serve as mentors to students interested in a science, technology or engineering disciplines related to the mission of the Department or the Bureaus.

''(d) KINDERGARTEN THROUGH GRADE TWELVE SCIENCE EDUCATION ENHANCEMENT PROGRAM.—

''(1) From the funds made available to carry out this section, the Secretary shall use 20 percent of that amount to support activities designed to enhance the knowledge and expertise of teachers of basic sciences, mathematics, engineering and technology in Kindergarten through Grade Twelve programs.

''(2) The Secretary is authorized to—

''(A) support competitive events for students under the supervision of teachers that are designed to encourage student interest and knowledge in science, engineering, technology and mathematics;

''(B) support competitively-awarded, peer-reviewed programs to promote professional development for mathematics, science, engineering and technology teachers who teach in grades from kindergarten through grade 12;

''(C) support summer internships at Department facilities, for mathematics, science, engineering and technology teachers who teach in grades from kindergarten through grade 12; and

''(D) sponsor and assist in sponsoring educational and teacher training activities in subject areas identified as critical skills.

''(e) SERVICE AGREEMENT FOR RECIPIENTS OF ASSISTANCE.—

''(1) To receive financial assistance under subsection (a) and subsection (b) of this section—

''(A) in the case of an employee of the Department of the Interior, the employee shall enter into a written agreement to continue in the employment of the department for the period of obligated service determined under paragraph (2); and

''(B) in the case of a person not an employee of the Department of the Interior, the person shall enter into a written agreement to accept and continue employment in the Department of the Interior for the period of obligated service determined under paragraph (2).

''(2) For the purposes of this section, the period of obligated service for a recipient of a scholarship under this section shall be the period determined by the Secretary of the Interior as being appropriate to obtain adequate service in exchange for the financial assistance provided under the scholarship. In no event may the period of service required of a recipient be less than the total period of pursuit of a degree that is covered by the scholarship. The period of obligated service is in addition to any other period for which the recipient is obligated to serve in the civil service of the United States.

''(3) An agreement entered into under this subsection by a person pursuing an academic degree shall include any terms and conditions that the Secretary of the Interior determines necessary to protect the interests of the United States or otherwise appropriate for carrying out this section.

''(f) REFUND FOR PERIOD OF UNSERVED OBLIGATED SERVICE.—

''(1) A person who voluntarily terminates service before the end of the period of obligated service required under an agreement entered into under subsection (e) shall refund to the United States an amount determined by the Secretary of the Interior as being appropriate to obtain adequate service in exchange for financial assistance.

''(2) An obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) The Secretary of the Interior may waive, in whole or in part, a refund required under paragraph (1) if the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

''(4) A discharge in bankruptcy under title 11, United States Code, that is entered less than five years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under such agreement or under this subsection.

''(g) RELATIONSHIP TO OTHER PROGRAMS.—The Secretary of the Interior shall coordinate the provision of financial assistance under the authority of this section with the provision of financial assistance under the authorities provided in this Act in order to maximize the benefits derived by the Department of Interior from the exercise of all such authorities.

''(h) REPORT.—Not later than September 1 of each year, the Secretary of the Interior shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the status of the assistance program carried out under this section. The report shall describe the programs within the Department designed to recruit and retain a workforce on a short-term basis and on a long-term basis.

''(i) DEFINITIONS.—As used in this section:

''(1) The term 'Minority Serving Higher Education Institutions' means a Hispanic-serving institution, historically Black college or university, Alaska Native-serving institution, or tribal college.

''(2) The term 'Hispanic-serving institution' has the meaning given the term in section 502(a) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)).

''(3) The term 'historically Black college or university' has the meaning given the term 'part B institution' in section 322 of the Higher Education Act of 1965 (20 U.S.C. 1061).

''(4) The term 'tribal college' has the meaning given the term 'tribally controlled college or university' in section 2(a) of the Tribally Controlled College Assistance Act of 1978 (25 U.S.C. 1801(a)).

''(5) The term 'institution of higher education' has the meaning given such term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

''(6) The term 'Alaska Native-serving institution' has the meaning given the term in section 317 of the Higher Education Act of 1965 (20 U.S.C. 1059d).

''(j) FUNDING.—The Secretary shall spend 3 percent of the annual outlay under this Act to implement this section not to exceed $10,000,000.''.

SEC. 24. ONSHORE AND OFFSHORE MINERAL LEASE FEES.

Except as otherwise provided in this Act, the Department of the Interior is prohibited from charging fees applicable to actions on Federal onshore and offshore oil and gas, coal, geothermal, and other mineral leases, including transportation of any production from such leases, if such fees were not established in final regulations prior to the date of issuance of the lease.

SEC. 25. OCS REGIONAL HEADQUARTERS.

The headquarters for the Gulf of Mexico Region shall permanently be located within the State of Louisiana within 25 miles of the center of Jackson Square, New Orleans, Louisiana. Further, not later than July 1, 2008, the Secretary of the Interior shall establish the headquarters for the Atlantic OCS Region and the headquarters for the Pacific OCS Region within a State bordering the Atlantic OCS Region and a State bordering the Pacific OCS Region, respectively, from among the States bordering those Regions, that petitions by no later than January 1, 2008, for leasing, for oil and gas or natural gas, covering at least 40 percent of the area of its Adjacent Zone within 100 miles of the coastline. Such Atlantic and Pacific OCS Regions headquarters shall be located within 25 miles of the coastline and each MMS OCS regional headquarters shall be the permanent duty station for all Minerals Management Service personnel that on a daily basis spend on average 60 percent or more of their time in performance of duties in support of the activities of the respective Region, except that the Minerals Management Service may house regional inspection staff in other locations. Each OCS Region shall each be led by a Regional Director who shall be an employee within the Senior Executive Service.

SEC. 26. NATIONAL GEO FUND ACT OF 2006.

(a) SHORT TITLE.—This section may be cited as the ''National Geo Fund Act of 2006''.

(b) PURPOSES.—The purpose of this section is to—

(1) establish a fund to provide funding for the management of geologic programs, geologic mapping, geophysical and other seismic studies, seismic monitoring programs, and the preservation

and use of geologic and geophysical data, geothermal and geopressure energy resource management, unconventional energy resources management, and renewable energy management associated with ocean wave, current, and thermal resources;

(2) make available receipts derived from sales, bonus bids, royalties, and fees from onshore and offshore gas, minerals, oil, and any additional form of energy exploration and development under the laws of the United States for the purposes of the such fund;

(3) distribute funds from such fund each fiscal year to the Secretary of the Interior and the States; and

(4) use the distributed funds to manage activities conducted under this section, and to secure the necessary trained workforce, contractual services, and other support, including maintenance and capital investments, to perform the functions and activities described in paragraph (1).

(c) DEFINITIONS.—In this section:

(1) GEO FUND.—The term ''Geo Fund'' means the National Geo Fund established by subsection (d).

(2) STATE.—The term ''State'' means the agency of a State designated by its Governor or State law to perform the functions and activities described in subsection (b)(1).

(d) ESTABLISHMENT AND USE OF THE GEO FUND.—

(1) GEO FUND.—There is established in the Treasury a separate account to be known as the ''National Geo Fund''.

(2) FUNDING.—The Secretary of the Treasury shall deposit in the Geo Fund—

(A) such sums as are provided by sections 9(b)(5)(A)(iv), 9(b)(5)(B)(iv), 9(c)(4)(A)(iv), and 9(c)(4)(B)(iv) of the Outer Continental Shelf Lands Act, as amended by this Act;

(B)(i) during the period of October 1, 2006, through September 30, 2015, one percent of all sums paid into the Treasury under section 35 of the Mineral Leasing Act (30 U.S.C. 191), and

(ii) beginning October 1, 2015, and thereafter, 2.5 percent of all sums paid into the Treasury under section 35 of the Mineral Leasing Act (30 U.S.C. 191);

(C)(i) during the period of October 1, 2006, through September 30, 2015, one percent of all sums paid into the Treasury from receipts derived from bonus bids and royalties from other mineral leasing on public lands, and

(ii) beginning October 1, 2015, and thereafter, 2.5 percent of all sums paid into the Treasury from receipts derived from bonus bids and royalties from other mineral leasing on public lands; and

(D) $65,000,000 from outer Continental Shelf bonus bids, royalties, and conservation of resources fees received in fiscal year 2007, and $50,000,000 from outer Continental Shelf bonus bids, royalties, and conservation of resources fees received in each of fiscal years 2008, 2009, 2010, 2011, 2012, and 2013, 75 percent of which shall be used to implement subsection (g) and all of which shall remain available until expended.

(3) INVESTMENTS.—The Secretary of the Treasury shall invest the amounts deposited under paragraph (2) and all accrued interest on the amounts deposited under paragraph (2) only in interest bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

(4) AVAILABILITY TO SECRETARY OF THE INTERIOR.—

(A) IN GENERAL.—Beginning with fiscal year 2007, and in each fiscal year thereafter, one-third of amounts deposited into the Geo Fund, unless otherwise specified herein, together with the interest thereon, shall be available, without fiscal year limitations, to the Secretary of the Interior for use for the purposes described in subsection (b)(4).

(B) WITHDRAWALS AND TRANSFER OF FUNDS.—The Secretary of the Treasury shall withdraw such amounts from the Geo Fund as the Secretary of the Interior may request, subject to the limitation in subparagraph (A), and transfer such amounts to the Secretary of the Interior to be used, at the discretion of the Secretary of the Interior, by the Minerals Management Service, the Bureau of Land Management, and the United States Geological Survey for the purposes described in subsection (b)(4). No funds distributed from the Geo Fund may be used to purchase an interest in land.

(5) PAYMENT TO STATES.—

(A) IN GENERAL.—Beginning with fiscal year 2007, and in each fiscal year thereafter, two-thirds of amounts deposited into the Geo Fund, unless otherwise specified herein, together with the interest thereon, shall be available, without fiscal year limitations, to the States for use for the purposes described in subsection (b)(4).

(B) WITHDRAWALS AND TRANSFER OF FUNDS.—Within the first 90 days of each fiscal year, the Secretary of the Treasury shall withdraw amounts from the Geo Fund and transfer such amounts to the States based on a formula devised by the Secretary of the Interior based on the relative needs of the States and the needs of the Nation.

(C) USE OF PAYMENTS BY STATES.—Each State shall use the payments made under subparagraph (B) only for carrying out projects and programs for the purposes described in subsection (b)(4). No funds distributed from the Geo Fund may be used to purchase an interest in land.

(D) ENCOURAGEMENT OF USE OF PRIVATE FUNDS BY STATES.—Each State shall use the payments made under subparagraph (B) to leverage private funds for carrying out projects for the purposes described in subsection (b)(4).

(E) REPORT TO CONGRESS.—Beginning in fiscal year 2008 and continuing for each fiscal year thereafter, the Secretary of the Interior and each State receiving funds from the Geo Fund shall submit a report to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives. Reports submitted to the Congress by the Secretary of the Interior and the States shall include detailed information regarding expenditures during the previous fiscal year.

(e) STRATEGIC UNCONVENTIONAL RESOURCES.—

(1) PROGRAM.—The Secretary of the Interior shall establish a program for production of fuels from strategic unconventional resources, and production of oil and gas resources using CO2 enhanced recovery. The program shall focus initially on activities and domestic resources most likely to result in significant production in the near future, and shall include work necessary to improve extraction techniques, including surface and in situ operations. The program shall include characterization and assessment of potential resources, a sampling program, appropriate laboratory and other analyses and testing, and assessment of methods for exploration and development of these strategic unconventional resources.

(2) PILOT PROJECTS.—The program created in paragraph (1) shall include, but not be limited to, pilot projects on (A) the Maverick Basin heavy oil and tar sands formations of Texas, including the San Miguel deposits, (B) the Greater Green River Basin heavy oil, oil shale, tar sands, and coal deposits of Colorado, Utah, and Wyoming, (C) the shale, tar sands, heavy oil, and coal deposits in the Alabama-Mississippi-Tennessee region, (D) the shale, tar sands, heavy oil, and coal deposits in the Ohio River valley, and (E) strategic unconventional resources in California. The Secretary shall identify and report to Congress on feasible incentives to foster recovery of unconventional fuels by private industry within the United States. Such incentives may include, but are not limited to, long-term contracts for the purchase of unconventional fuels for defense purposes, Federal grants and loan guarantees for necessary capital expenditures, and favorable terms for the leasing of Government lands containing unconventional resources.

(3) DEFINITIONS.—In this subsection:

(A) STRATEGIC UNCONVENTIONAL RESOURCES.—The term ''strategic unconventional resources'' means hydrocarbon resources, including heavy oil, oil shale, tar sands, and coal deposits, from which liquid fuels may be produced.

(B) IN SITU EXTRACTION METHODS.—The term ''in situ extraction methods'' means recovery techniques that are applied to the resources while they are still in the ground, and are in commercial use or advanced stages of development. Such techniques include, but are not limited to, steam flooding, steam-assisted gravity drainage (including combination with electric power generation where appropriate), cyclic steam stimulation, air injection, and chemical treatment.

(4) FUNDING.—The Secretary shall carry out the program for the production of strategic unconventional fuels with funds from the Geo Fund in each of fiscal years 2007 through 2011 in the amount of not less than $35,000,000 each year. Each pilot project shall be allocated not less than $4,000,000 per year in each of fiscal years 2007 through 2011.

(f) SUPPORT OF GEOTHERMAL AND GEOPRESSURE OIL AND GAS ENERGY PRODUCTION.—

(1) IN GENERAL.—The Secretary shall carry out a grant program in support of geothermal and geopressure oil and gas energy production. The program shall include grants for a total of not less than three assessments of the use of innovative geothermal techniques such as organic rankine cycle systems at marginal, unproductive, and productive oil and gas wells, and not less than one assessment of the use of innovative geopressure techniques. The Secretary shall, to the extent practicable and in the public interest, make awards that—

(A) include not less than five oil or gas well sites per project award;

(B) use a range of oil or gas well hot water source temperatures from 150 degrees Fahrenheit to 300 degrees Fahrenheit;

(C) use existing or new oil or gas wells;

(D) cover a range of sizes from 175 kilowatts to one megawatt;

(E) are located at a range of sites including tribal lands, Federal lease, State, or privately owned sites;

(F) can be replicated at a wide range of sites;

(G) facilitate identification of optimum techniques among competing alternatives;

(H) include business commercialization plans that have the potential for production of equipment at high volumes and operation and support at a large number of sites; and

(I) satisfy other criteria that the Secretary determines are necessary to carry out the program. The Secretary shall give preference to assessments that address multiple elements contained in subparagraphs (A) through (I).

(2) GRANT AWARDS.—

(A) IN GENERAL.—Each grant award for assessment of innovative geothermal or geopressure technology such as organic rankine cycle systems at oil and gas wells made by the Secretary under this section shall include—

(i) necessary and appropriate site engineering study;

(ii) detailed economic assessment of site specific conditions;

(iii) appropriate feasibility studies to determine ability for replication;

(iv) design or adaptation of existing technology for site specific circumstances or conditions;

(v) installation of equipment, service, and support; and

(vi) monitoring for a minimum of one year after commissioning date.

(3) COMPETITIVE GRANT SELECTION.—Not less than 180 days after the date of the enactment of this Act, the Secretary shall conduct a national solicitation for applications for grants under the program. Grant recipients shall be selected on a competitive basis based on criteria in subsection (b).

(4) FEDERAL SHARE.—The Federal share of costs of grants under this subsection shall be provided from funds made available to carry out this section. The Federal share of the cost of a project carried out with such a grant shall not exceed 50 percent of such cost.

(5) FUNDING.—The Secretary shall carry out the grant program under this subsection with funds from the Geo Fund in each of fiscal years 2007 through 2011 in the amount of not less than $5,000,000 each fiscal year. No funds authorized under this section may be used for the purposes of drilling new wells.

(6) AMENDMENT.—Section 4 of the Geothermal Steam Act of 1970 (30 USC 1003) is amended by adding at the end the following:

''(h) GEOTHERMAL RESOURCES CO-PRODUCED WITH THE MINERALS.—Any person who holds a lease or who operates a cooperative or unit plan under the Mineral Leasing Act, in the absence of an existing lease for geothermal resources under this Act, shall upon notice to the Secretary have the right to utilize any geothermal resources co-produced with the minerals for which the lease was issued during the operation of that lease or cooperative or unit plan, for the generating of electricity to operate the lease. Any electricity that is produced in excess of that which is required to operate the lease and that is sold for purposes outside of the boundary of the lease shall be subject to the requirements of section 5.''

(g) LIQUID FUELS GRANT PROGRAM.—

(1) PROGRAM.—The Secretary of the Interior shall establish a grant program for facilities for coal-to-liquids, petroleum coke-to-liquids, oil shale, tar sands, heavy oil, and Alaska natural gas-to-liquids and to assess the production of low-rank coal water fuel (in this subsection referred to as ''LRCWF'').

(2) LRCWF.—The LRCWF grant project location shall use lignite coal from fields near the Tombigbee River within 60 miles of a land-grant college and shall be allocated $15,000,000 for expenditure during fiscal year 2007.

(3) DEFINITIONS.—In this subsection:

(A) COAL-TO-LIQUIDS FRONT-END ENGINEERING AND DESIGN.—The terms ''coal-to-liquids front-end engineering and design'' and ''FEED'' mean those expenditures necessary to engineer, design, and obtain permits for a facility for a particular geographic location which will utilize a process or technique to produce liquid fuels from coal resources.

(B) LOW-RANK COAL WATER FUEL.—In this subsection the term ''low-rank coal water fuel'' means a liquid fuel produced from hydrothermal treatment of lignite and sub-bituminous coals.

(4) GRANT PROVISIONS.—All grants shall require a 50 percent non-Federal cost share. The first 4 FEED grant recipients who receive full project construction financing commitments, based on earliest calendar date, shall not be required to repay any of their grants. The next 4 FEED grant recipients who receive such commitments shall be required to repay 25 percent of the grant. The next 4 FEED grant recipients who receive such commitments shall be required to repay 50 percent of the grant, and the remaining FEED grant recipeints shall be required to repay 75 percent of the grant. The LRCWF recipient shall not be required to repay the grant. Any required repayment shall be paid as part of the closing process for any construction financing relating to the grant. No repayment shall require the payment of interest if repaid within 5 years of the issuance of the grant. FEED grants shall be be limited to a maximum of $1,000,000 per 1,000 barrels per day of liquid fuels production capacity, not to exceed $25 million per year.

(5) FUNDING.—The Secretary shall carry out the grant program established by this subsection with funds from the Geo Fund.

(h) RENEWABLE ENERGY FROM OCEAN WAVE, CURRENT, AND THERMAL RESOURCES.—

(1) PROGRAM.—The Secretary of the Interior shall establish a grant program for the production of renewable energy from ocean waves, currents, and thermal resources.

(2) GRANT PROVISIONS.—All grants under this subsection shall require a 50 percent non-Federal cost share.

(3) FUNDING.—The Secretary shall carry out this grant program with funds from the Geo Fund in each of fiscal years 2007 through 2011 in the amount of not less than $6,000,000 each year, and thereafter in such amounts as the Secretary may find appropriate.

(i) AMENDMENT TO THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977.—Section 517 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1267) is amended by adding adding at the end the following:

''(i) Any person who provides the regulatory authority with a map under subsection (b)(1) shall not be liable to any other person in any way for the accuracy or completeness of any such map which was not prepared and certified by or on behalf of such person.''.

SEC. 27. LEASES FOR AREAS LOCATED WITHIN 100 MILES OF CALIFORNIA OR FLORIDA.

(a) AUTHORIZATION TO CANCEL AND EXCHANGE CERTAIN EXISTING OIL AND GAS LEASES; PROHIBITION ON SUBMITTAL OF EXPLORATION PLANS FOR CERTAIN LEASES PRIOR TO JUNE 30, 2010.—

(1) AUTHORITY.—Within 2 years after the date of enactment of this Act, the lessee of an existing oil and gas lease for an area located completely within 100 miles of the coastline within the California or Florida Adjacent Zones shall have the option, without compensation, of exchanging such lease for a new oil and gas lease having a primary term of 5 years. For the area subject to the new lease, the lessee may select any unleased tract on the outer Continental Shelf that is in an area available for leasing. Further, with the permission of the relevant Governor, such a lessee may convert its existing oil and gas lease into a natural gas lease having a primary term of 5 years and covering the same area as the existing lease or another area within the same State's Adjacent Zone within 100 miles of the coastline.

(2) ADMINISTRATIVE PROCESS.—The Secretary of the Interior shall establish a reasonable administrative process to implement paragraph (1). Exchanges and conversions under subsection (a), including the issuance of new leases, shall not be considered to be major Federal actions for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). Further, such actions conducted in accordance with this section are deemed to be in compliance all provisions of the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.).

(3) OPERATING RESTRICTIONS.—A new lease issued in exchange for an existing lease under this section shall be subject to such national defense operating stipulations on the OCS tract covered by the new lease as may be applicable upon issuance.

(4) PRIORITY.—The Secretary shall give priority in the lease exchange process based on the amount of the original bonus bid paid for the issuance of each lease to be exchanged. The Secretary shall allow leases covering partial tracts to be exchanged for leases covering full tracts conditioned upon payment of additional bonus bids on a per-acre basis as determined by the average per acre of the original bonus bid per acre for the partial tract being exchanged.

(5) EXPLORATION PLANS.—Any exploration plan submitted to the Secretary of the Interior after the date of the enactment of this Act and before July 1, 2010, for an oil and gas lease for an area wholly within 100 miles of the coastline within the California Adjacent Zone or Florida Adjacent Zone shall not be treated as received by the Secretary until the earlier of July 1, 2010, or the date on which a petition by the Adjacent State for oil and gas leasing covering the area within which is located the area subject to the oil and gas lease was approved.

(b) FURTHER LEASE CANCELLATION AND EXCHANGE PROVISIONS.—

(1) CANCELLATION OF LEASE.—As part of the lease exchange process under this section, the Secretary shall cancel a lease that is exchanged under this section.

(2) CONSENT OF LESSEES.—All lessees holding an interest in a lease must consent to cancellation of their leasehold interests in order for the lease to be cancelled and exchanged under this section.

(3) WAIVER OF RIGHTS.—As a prerequisite to the exchange of a lease under this section, the lessee must waive any rights to bring any litigation against the United States related to the transaction.

(4) PLUGGING AND ABANDONMENT.—The plugging and abandonment requirements for any wells located on any lease to be cancelled and exchanged under this section must be complied with by the lessees prior to the cancellation and exchange.

(c) AREA PARTIALLY WITHIN 100 MILES OF FLORIDA.—An existing oil and gas lease for an area located partially within 100 miles of the coastline within the Florida n Adjacent Zone may only be developed and produced using wells drilled from well-head locations at least 100 miles from the coastline to any bottom-hole location on the area of the lease. This subsection shall not apply if Florida has petitioned for leasing closer to the coastline than 100 miles.

(d) EXISTING OIL AND GAS LEASE DEFINED.—In this section the term ''existing oil and gas lease'' means an oil and gas lease in effect on the date of the enactment of this Act.

SEC. 28. COASTAL IMPACT ASSISTANCE.

Section 31 of the Outer Continental Shelf Lands Act (43 U.S.C. 1356a) is repealed.

SEC. 29. OIL SHALE AND TAR SANDS AMENDMENTS.

(a) REPEAL OF REQUIREMENT TO ESTABLISH PAYMENTS.—Section 369(o) of the Energy Policy Act of 2005 (Public Law 109–58; 119 Stat. 728; 42 U.S.C. 15927) is repealed.

(b) TREATMENT OF REVENUES.—Section 21 of the Mineral Leasing Act (30 U.S.C. 241) is amended by adding at the end the following:

''(e) REVENUES.—

''(1) IN GENERAL.—Notwithstanding the provisions of section 35, all revenues received from and under an oil shale or tar sands lease shall be disposed of as provided in this subsection.

''(2) ROYALTY RATES FOR COMMERCIAL LEASES.—

''(A) ROYALTY RATES.—The Secretary shall model the royalty schedule for oil shale and tar sands leases based on the royalty program currently in effect for the production of synthetic crude oil from oil sands in the Province of Alberta, Canada.

''(B) REDUCTION.—The Secretary shall reduce any royalty otherwise required to be paid under subparagraph (A) under any oil shale or tar sands lease on a sliding scale based upon market price, with a 10 percent reduction if the average futures price of NYMEX Light Sweet Crude, or a similar index, drops, for the previous quarter year, below $50 (in January 1, 2006, dollars), and an 80 percent reduction if the average price drops below $30 (in January 1, 2006, dollars) for the quarter previous to the one in which the production is sold.

''(3) DISPOSITION OF REVENUES.—

''(A) DEPOSIT.—The Secretary shall deposit into a separate account in the Treasury all revenues derived from any oil shale or tar sands lease.

''(B) ALLOCATIONS TO STATES AND LOCAL POLITICAL SUBDIVISIONS.—The Secretary shall allocate 50 percent of the revenues deposited into the account established under subparagraph (A) to the State within the boundaries of which the leased lands are located, with a portion of that to be paid directly by the Secretary to the State's local political subdivisions as provided in this paragraph.

''(C) TRANSMISSION OF ALLOCATIONS.—

''(i) IN GENERAL.—Not later than the last business day of the month after the month in which

the revenues were received, the Secretary shall transmit—

''(I) to each State two-thirds of such State's allocations under subparagraph (B), and in accordance with clauses (ii) and (iii) to certain county-equivalent and municipal political subdivisions of such State a total of one-third of such State's allocations under subparagraph (B), together with all accrued interest thereon; and

''(II) the remaining balance of such revenues deposited into the account that are not allocated under subparagraph (B), together with interest thereon, shall be transmitted to the miscellaneous receipts account of the Treasury, except that until a lease has been in production for 20 years 50 percent of such remaining balance derived from a lease shall be paid in accordance with subclause (I).

''(ii) ALLOCATIONS TO CERTAIN COUNTY-EQUIVALENT POLITICAL SUBDIVISIONS.—The Secretary shall under clause (i)(I) make equitable allocations of the revenues to county-equivalent political subdivisions that the Secretary determines are closely associated with the leasing and production of oil shale and tar sands, under a formula that the Secretary shall determine by regulation.

''(iii) ALLOCATIONS TO MUNICIPAL POLITICAL SUBDIVISIONS.—The initial allocation to each county-equivalent political subdivision under clause (ii) shall be further allocated to the county-equivalent political subdivision and any municipal political subdivisions located partially or wholly within the boundaries of the county-equivalent political subdivision on an equitable basis under a formula that the Secretary shall determine by regulation.

''(D) INVESTMENT OF DEPOSITS.—The deposits in the Treasury account established under this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account and yielding the highest reasonably available interest rates as determined by the Secretary of the Treasury.

''(E) USE OF FUNDS.—A recipient of funds under this subsection may use the funds for any lawful purpose as determined by State law. Funds allocated under this subsection to States and local political subdivisions may be used as matching funds for other Federal programs without limitation. Funds allocated to local political subdivisions under this subsection may not be used in calculation of payments to such local political subdivisions under programs for payments in lieu of taxes or other similar programs.

''(F) NO ACCOUNTING REQUIRED.—No recipient of funds under this subsection shall be required to account to the Federal Government for the expenditure of such funds, except as otherwise may be required by law.

''(4) DEFINITIONS.—In this subsection:

''(A) COUNTY-EQUIVALENT POLITICAL SUBDIVISION.—The term 'county-equivalent political subdivision' means a political jurisdiction immediately below the level of State government, including a county, parish, borough in Alaska, independent municipality not part of a county, parish, or borough in Alaska, or other equivalent subdivision of a State.

''(B) MUNICIPAL POLITICAL SUBDIVISION.—The term 'municipal political subdivision' means a municipality located within and part of a county, parish, borough in Alaska, or other equivalent subdivision of a State.''.

SEC. 30. AVAILABILITY OF OCS RECEIPTS TO PROVIDE PAYMENTS UNDER SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000.

Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended by inserting after subsection (i), as added by section 7 of this Act, the following new subsection:

''(j) AVAILABILITY OF FUNDS FOR PAYMENTS UNDER SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000.—Notwithstanding any other provision of this section, $50,000,000 of OCS Receipts shall be available to the Secretary of the Treasury for each of fiscal years 2007 through 2012 to make payments under sections 102 and 103 of the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106–393; 16 U.S.C. 500 note). The Secretary of the Treasury shall use the funds made available by this subsection to make such payments in lieu of using funds in the Treasury not otherwise appropriated, as otherwise authorized by sections 102(b)(3) and 103(b)(2) of such Act.''.

The Acting CHAIRMAN. No amendment to the committee amendment is in order except those printed in House Report 109–540. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. POMBO

The Acting CHAIRMAN. It is now in order to consider amendment No. 1 printed in House Report 109–540.

Mr. POMBO. Mr. Chairman, I have an amendment made in order under House Resolution 897.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. POMBO:

Page 12, line 4, strike ''December 1, 1996, through December 31, 2000,'' and insert ''January 1, 1998, through December 31, 1999,''.

Page 12, line 18, strike subsection (t).

Page 13, line 19, strike ''not less than $1.00 nor more than $4.00'' and insert ''$3.75''.

Page 16, line 8, strike ''6.0'' and insert ''4.6''.

Page 16, line 9, strike ''7.0'' and insert ''5.95''.

Page 16, line 10, strike ''8.0'' and insert ''6.8''.

Page 16, line 11, strike ''9.0'' and insert ''7.65''.

Page 16, line 12, strike ''12.0'' and insert ''10.20''.

Page 16, line 13, strike ''15.0'' and insert ''12.75''.

Page 16, line 15, strike ''18.0'' and insert ''15.30''.

Page 16, line 17, strike ''21.0'' and insert ''17.85''.

Page 16, line 19, strike ''24.0'' and insert ''20.40''.

Page 16, line 21, strike ''27.0'' and insert ''22.95''.

Page 16, line 22, strike ''30.0'' and insert ''25.50''.

Page 16, line 24, strike ''33.0'' and insert ''28.05''.

Page 17, line 1, strike ''36.0'' and insert ''30.60''.

Page 17, line 3, strike ''39.0'' and insert ''33.15''.

Page 17, line 5, strike ''42.0'' and insert ''35.70''.

Page 17, line 7, strike ''45.0'' and insert ''38.25''.

Page 17, line 10, strike ''50.0'' and insert ''42.50''.

Page 17, line 17, strike ''50'' and insert ''42.50''.

Page 17, line 23, strike the existing paragraph (4) and insert the following:

''(4) RECEIPTS SHARING FROM TRACTS WITHIN 4 MARINE LEAGUES OF ANY COASTLINE.—

''(A) AREAS DESCRIBED IN PARAGRAPH (2).—

''(i) Beginning October 1, 2005, and continuing through September 30, 2010, the Secretary shall share 25 percent of OCS Receipts derived from all leases located within 4 marine leagues from any coastline within areas described in paragraph (2). For each fiscal year after September 30, 2010, the Secretary shall increase the percent shared in 5 percent increments each fiscal year until the sharing rate for all leases located within 4 marine leagues from any coastline within areas described in paragraph (2) becomes 42.5 percent.

''(ii) During fiscal year 2016, the Secretary shall conduct an analysis of all of the areas described in paragraph (3) and subsection (c)(3) to determine the total of OCS Receipts derived from such areas during the period of fiscal year 2007 through fiscal year 2016. The Secretary shall subtract the amount of $4 billion from the total of such OCS Receipts. If the result is a positive number, the Secretary shall divide such positive number by $4 billion. The resulting quotient, not to exceed 0.5, shall then be multiplied times 25. The product of such multiplication shall be added to 42.5 and the sum shall be the percent that the Secretary shall share for fiscal year 2017 and all future years from OCS Receipts derived from all leases located within 4 marine leagues from any coastline within areas described in paragraph (2), unless increased by the provisions of (iii).

''(iii) Beginning October 1, 2017, the Secretary shall share, in addition to the share established by (i), as modified by (ii) if any, amounts determined as follows, with the total of the amounts shared under this paragraph not to exceed in any fiscal year an amount equal to 63.75 percent of total OCS Receipts derived from all leases located within 4 marine leagues from any coastline within areas described in paragraph (2)—25 percent of the total of OCS Receipts derived from areas described in paragraph (3) and subsection (c)(3) that exceed the following amounts for the fiscal year indicated: for fiscal year 2017 the amount of $900,000,000 and for each fiscal year thereafter add $100,000,000. Amounts added under this clause to be shared, if any, for any fiscal year shall be added to the sharing base for all subsequent years and shall be allocated among State Adjacent Zones on a basis proportional to the result from the calculation in clause (i).

''(B) AREAS NOT DESCRIBED IN PARAGRAPH (2).—Beginning October 1, 2005, the Secretary shall share 63.75 percent of OCS receipts derived from all leases located completely or partially within 4 marine leagues from any coastline within areas not described paragraph (2).''.

Page 18, beginning at line 11, strike ''as follows:'' and all that follows through line 22 and insert ''to the Adjacent State.''.

Page 19, beginning at line 2, strike ''as follows:'' and all that follows through line 3 and insert ''to the Adjacent State''.

Page 19, lines 12 through 19, redesignate the quoted subclauses (I) and (II) as clauses (i) and (ii), and move such clauses 2 ems to the left.

Page 19, strike line 20 and all that follows through page 20, line 6.

Page 21, line 17, strike ''6.0'' and insert ''4.6''.

Page 21, line 18, strike ''7.0'' and insert ''5.95''.

Page 21, line 19, strike ''8.0'' and insert ''6.80''.

Page 21, line 20, strike ''9.0'' and insert ''7.65''.

Page 21, line 21, strike ''12.0'' and insert ''10.20''.

Page 21, line 22, strike ''15.0'' and insert ''12.75''.

Page 21, line 24, strike ''18'' and insert ''15.30''.

Page 22, line 1, strike ''21.0'' and insert ''17.85''.

Page 22, line 3, strike ''24.0'' and insert ''20.40''.

Page 22, line 5, strike ''27.0'' and insert ''22.95''.

Page 22, line 6, strike ''30.0'' and insert ''25.50''.

Page 22, line 8, strike ''33.0'' and insert ''28.05''.

Page 22, line 10, strike ''36.0'' and insert ''30.60''.

Page 22, line 12, strike ''39.0'' and insert ''33.15''.

Page 22, line 14, strike ''42.0'' and insert ''35.70''.

Page 22, line 16, strike ''45.0'' and insert ''38.25''.

Page 22, line 19, strike ''50.0'' and insert ''42.50''.

Page 23, line 2, strike ''50'' and insert ''42.5''.

Page 23, line 6, strike the period and insert the following: '', except that the Secretary shall only share 25 percent of such OCS Receipts derived from all such leases within a State's Adjacent Zone if no leasing is allowed within any portion of that State's Adjacent Zone located completely within 100 miles of any coastline.''.

Page 23, beginning on line 13, strike ''each fiscal year'' and all that follows through line 25 and insert ''each fiscal year to the Adjacent State''.

Page 24, beginning at line 4, strike ''as follows:'' and all that follows through line 5 and insert ''to the Adjacent State''.

Page 24, lines 15 through 22, redesignate the quoted subclauses (I) and (II) as clauses (i) and (ii), and move such clauses 2 ems to the left.

Page 24, strike line 23 and all that follows through page 25, line 6.

Page 25, strike lines 11 through 20 and insert the following:

''(A) to each State 60 percent of such State's allocations under subsections (b)(5)(A), (b)(5)(B), (c)(4)(A), and (c)(4)(B) for the immediate prior fiscal year;

''(B) to each coastal county-equivalent and municipal political subdivisions of such State a total of 40 percent of such State's allocations under subsections (b)(5)(A), (b)(5)(B), (c)(4)(A), and (c)(4)(B), together with all accrued interest thereon; and

Page 34, beginning at line 15, strike section 8.

Page 37, beginning at line 18, strike ''was initiated'' and all that follows through the end of the sentence and insert ''is extended by a State under subsection (h)''.

Page 37, line 20, strike the period and insert the following: '', nor may the President withdraw from leasing any area for which a State failed to prohibit, or petition to prohibit, leasing under subsection (g). Further, in the area of the outer Continental Shelf more than 100 miles from any coastline, not more than 25 percent of the acreage of any OCS Planning Area may be withdrawn from leasing under this section at any point in time.''.

Page 40, line 16, insert a period after the word ''effect'' and strike the remainder of the sentence.

Page 41, line 7, strike ''June 30'' and insert ''April 30''.

Page 46, line 7, strike ''PETITION FOR EXTENSION OF'' and insert ''EXTEND''.

Page 46, strike lines 10 through 12 and insert the following:

''(1) IN GENERAL.—A State, through its Governor and upon the concurrence of its legislature, may''.

Page 46, line 14, strike ''petition'' and insert ''extension''.

Page 46, line 18, strike ''petition'' and insert ''extend''.

Page 46, beginning at line 20, strike ''submit separate petitions'' and insert ''prepare separate extensions''.

Page 46, beginning at line 22, strike ''A petition of a State may request'' and insert ''An extension by a State may affect''.

Page 46, beginning at line 25, strike ''Petitions for extending'' and insert ''Extensions of''.

Page 47, strike line 11 and all that follows through page 48, line 6.

Page 48, strike the close quotation marks and the following period at line 20, and after line 20 insert the following:

''(j) PROHIBITION ON LEASING EAST OF THE MILITARY MISSION LINE.—

''(1) Notwithstanding any other provision of law, from and after the enactment of the Deep Ocean Energy Resources Act of 2006, no area of the outer Continental Shelf located in the Gulf of Mexico east of the military mission line may be offered for leasing for oil and gas or natural gas.

''(2) In this subsection, the term 'military mission line' means a line located at 86 degrees, 41minutes West Longitude, and extending south from the coast of Florida to the outer boundary of United States territorial waters in the Gulf of Mexico.''.

Page 55, beginning at line 3, strike section 13.

Page 61, beginning at line 20, amend section 14 to read as follows:

SEC. 14. FEDERAL ENERGY NATURAL RESOURCES ENHANCEMENT ACT OF 2006.

(a) FINDINGS.—The Congress finds the following:

(1) Energy and minerals exploration, development, and production on Federal onshore and offshore lands, including bio-based fuel, natural gas, minerals, oil, geothermal, and power from wind, waves, currents, and thermal energy, involves significant outlays of funds by Federal and State wildlife, fish, and natural resource management agencies for environmental studies, planning, development, monitoring, and management of wildlife, fish, air, water, and other natural resources.

(2) State wildlife, fish, and natural resource management agencies are funded primarily through permit and license fees paid to the States by the general public to hunt and fish, and through Federal excise taxes on equipment used for these activities.

(3) Funds generated from consumptive and recreational uses of wildlife, fish, and other natural resources currently are inadequate to address the natural resources related to energy and minerals development on Federal onshore and offshore lands.

(4) Funds available to Federal agencies responsible for managing Federal onshore and offshore lands and Federal-trust wildlife and fish species and their habitats are inadequate to address the natural resources related to energy and minerals development on Federal onshore and offshore lands.

(5) Receipts derived from sales, bonus bids, and royalties under the mineral leasing laws of the United States are paid to the Treasury through the Minerals Management Service of the Department of the Interior.

(6) None of the receipts derived from sales, bonus bids, and royalties under the minerals leasing laws of the United States are paid to the Federal or State agencies to examine, monitor, and manage wildlife, fish, air, water, and other natural resources related to natural gas, oil, and mineral exploration and development.

(b) PURPOSES.—It is the purpose of this section to—

(1) authorize expenditures for the monitoring and management of wildlife and fish, and their habitats, and air, water, and other natural resources related to energy and minerals development on Federal onshore and offshore lands;

(2) authorize expenditures for each fiscal year to the Secretary of the Interior and the States; and

(3) use the appropriated funds to secure the necessary trained workforce or contractual services to conduct environmental studies, planning, development, monitoring, and post-development management of wildlife and fish and their habitats and air, water, and other natural resources that may be related to bio-based fuel, gas, mineral, oil, wind, or other energy exploration, development, transportation, transmission, and associated activities on Federal onshore and offshore lands, including, but not limited to—

(A) pertinent research, surveys, and environmental analyses conducted to identify any impacts on wildlife, fish, air, water, and other natural resources from energy and mineral exploration, development, production, and transportation or transmission;

(B) projects to maintain, improve, or enhance wildlife and fish populations and their habitats or air, water, or other natural resources, including activities under the Endangered Species Act of 1973;

(C) research, surveys, environmental analyses, and projects that assist in managing, including mitigating either onsite or offsite, or both, the impacts of energy and mineral activities on wildlife, fish, air, water, and other natural resources; and

(D) projects to teach young people to live off the land.

(c) DEFINITIONS.—In this section:

(1) ENHANCEMENT PROGRAM.—The term ''Enhancement Program'' means the Federal Energy Natural Resources Enhancement Program established by this section.

(2) STATE.—The term ''State'' means the Governor of the State.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the Enhancement Program $150,000,000 for each of fiscal years 2007 through 2017.

(e) ESTABLISHMENT OF FEDERAL ENERGY NATURAL RESOURCES ENHANCEMENT PROGRAM.—

(1) IN GENERAL.—There is established the Federal Energy Natural Resources Enhancement Program.

(2) PAYMENT TO SECRETARY OF THE INTERIOR.—Beginning with fiscal year 2007, and in each fiscal year thereafter, one-third of amounts appropriated for the Enhancement Program shall be available to the Secretary of the Interior for use for the purposes described in subsection (b)(3).

(3) PAYMENT TO STATES.—

(A) IN GENERAL.—Beginning with fiscal year 2007, and in each fiscal year thereafter, two-thirds of amounts appropriated for the Enhancement Program shall be available to the States for use for the purposes described in (b)(3).

(B) USE OF PAYMENTS BY STATE.—Each State shall use the payments made under this paragraph only for carrying out projects and programs for the purposes described in (b)(3).

(C) ENCOURAGE USE OF PRIVATE FUNDS BY STATE.—Each State shall use the payments made under this paragraph to leverage private funds for carrying out projects for the purposes described in (b)(3).

(f) LIMITATION ON USE.—Amounts made available under this section may not be used for the purchase of any interest in land.

(g) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Beginning in fiscal year 2008 and continuing for each fiscal year thereafter, the Secretary of the Interior and each State receiving funds from the Enhancement Fund shall submit a report to the

Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives.

(2) REQUIRED INFORMATION.—Reports submitted to the Congress by the Secretary of the Interior and States under this subsection shall include the following information regarding expenditures during the previous fiscal year:

(A) A summary of pertinent scientific research and surveys conducted to identify impacts on wildlife, fish, and other natural resources from energy and mineral developments.

(B) A summary of projects planned and completed to maintain, improve or enhance wildlife and fish populations and their habitats or other natural resources.

(C) A list of additional actions that assist, or would assist, in managing, including mitigating either onsite or offsite, or both, the impacts of energy and mineral development on wildlife, fish, and other natural resources.

(D) A summary of private (non-Federal) funds used to plan, conduct, and complete the plans and programs identified in paragraphs (2)(A) and (2)(B).

Page 72, line 14, insert after ''offshore,'' the following: ''but not including any outer Continental Shelf oil and gas leases that are subject to litigation in the Court of Federal Claims on January 1, 2006,''.

Page 75, beginning at line 13, strike section 19.

Page 87, beginning at line 18, strike section 23 and insert the following:

SEC. 23. MINING AND PETROLEUM SCHOOLS.

(a) MAINTENANCE AND RESTORATION OF EXISTING AND HISTORIC PETROLEUM AND MINING ENGINEERING PROGRAMS.—Public Law 98–409 (30 U.S.C. 1221 et seq.) is amended to read as follows:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Energy and Mineral Schools Reinvestment Act'.

''SEC. 2. POLICY.

''It is the policy of the United States to maintain the human capital needed to preserve and foster the economic, energy, and mineral resources security of the United States. The petroleum and mining engineering programs and the applied geology and geophysics programs at State chartered schools, universities, and institutions that produce human capital are national assets and should be assisted with Federal funds to ensure their continued health and existence.

''SEC. 3. MAINTAINING AND RESTORING HISTORIC AND EXISTING PETROLEUM AND MINING ENGINEERING EDUCATION PROGRAMS.

''(a) The Secretary of the Interior (in this Act referred to as the 'Secretary') shall provide funds to historic and existing State-chartered recognized petroleum or mining schools to assist such schools, universities, and institutions in maintaining programs in petroleum, mining, and mineral engineering education and research. All funds shall be directed only to these programs and shall be subject to the conditions of this section. Such funds shall not be less than 25 percent of the annual outlay of funds authorized by section 23(d) of the Deep Ocean Energy Resources Act of 2006.

''(b) In this Act the term 'historic and existing State-chartered recognized petroleum or mining school' means a school, university, or educational institution with the presence of an engineering program meeting the specific program criteria, established by the member societies of ABET, Inc., for petroleum, mining, or mineral engineering and that is accredited on the date of enactment of the Deep Ocean Energy Resources Act of 2006 by ABET, Inc.

''(c) It shall be the duty of each school, university, or institution receiving funds under this section to provide for and enhance the training of undergraduate and graduate petroleum, mining, and mineral engineers through research, investigations, demonstrations, and experiments. All such work shall be carried out in a manner that will enhance undergraduate education.

''(d) Each school, university, or institution receiving funds under this Act shall maintain the program for which the funds are provided for 10 years after the date of the first receipt of such funds and take steps described in its application for funding to increase the number of undergraduate students enrolled in and completing the programs of study in petroleum, mining, and mineral engineering.

''(e) The research, investigation, demonstration, experiment, and training authorized by this section may include development and production of conventional and non-conventional fuel resources, the production of metallic and non-metallic mineral resources including industrial mineral resources, and the production of stone, sand, and gravel. In all cases the work carried out with funds made available under this Act shall include a significant opportunity for participation by undergraduate students.

''(f) Research funded by this Act related to energy and mineral resource development and production may include—

''(1) studies of petroleum, mining, and mineral extraction and immediately related beneficiation technology;

''(2) mineral economics, reclamation technology, and practices for active operations;

''(3) the development of re-mining systems and technologies to facilitate reclamation that fosters the ultimate recovery of resources at abandoned petroleum, mining, and aggregate production sites; and

''(4) research on ways to extract petroleum and mineral resources that reduce the environmental impact of those activities.

''(g) Grants for basic science and engineering studies and research shall not require additional participation by funding partners. Grants for studies to demonstrate the proof of concept for science and engineering or the demonstration of feasibility and implementation shall include participation by industry and may include funding from other Federal agencies.

''(h)(1) No funds made available under this section shall be applied to the acquisition by purchase or lease of any land or interests therein, or the rental, purchase, construction, preservation, or repair of any building.

''(2) Funding made available under this section may be used with the express approval of the Secretary for proposals that will provide for maintaining or upgrading of existing laboratories and laboratory equipment. Funding for such maintenance shall not be used for university overhead expenses.

''(3) Funding made available under this Act may be used for maintaining and upgrading mines and oil and gas drilling rigs owned by a school, university, or institution described in this section that are used for undergraduate and graduate training and worker safety training. All requests for funding such mines and oil and gas drilling rigs must demonstrate that they have been owned by the school, university, or institution for 5 years prior to the date of enactment of the Deep Ocean Energy Resources Act of 2006 and have been actively used for instructional or training purposes during that time.

''(4) Any funding made available under this section for research, investigation, demonstration, experiment, or training shall not be used for university overhead charges in excess of 10 percent of the amount authorized by the Secretary.

''SEC. 4. FORMER AND NEW PETROLEUM AND MINING ENGINEERING PROGRAMS.

''(a) A school, university, or educational institution that formerly met the requirements of section 3(b) immediately before the date of the enactment of the Deep Ocean Energy Resources Act of 2006, or that seeks to establish a new program described in section 3(b), shall be eligible for funding under this Act only if it—

''(1) establishes a petroleum, mining, or mineral engineering program that meets the specific program criteria and is accredited as such by ABET, Inc.;

''(2) agrees to the conditions of subsections (c) through (h) of section 3 and the Secretary determines that the program will strengthen and increase the number of nationally available, well-qualified faculty members in petroleum, mining, and mineral engineering; and

''(3) agrees to maintain the accredited program for 10 years after the date of the first receipt of funds under this Act.

''(b) The Secretary shall seek the advice of the Committee established pursuant to section 11 in determining the criteria used to carry out this section.

''SEC. 5. FUNDING OF CONSORTIA OF HISTORIC AND EXISTING SCHOOLS.

''Where appropriate, the Secretary may make funds available to consortia of schools, universities, or institutions described in sections 3, 4, and 6, including those consortia that include schools, universities, or institutions that are ineligible for funds under this Act if those schools, universities, or institutions, respectively, have skills, programs, or facilities specifically identified as needed by the consortia to meet the necessary expenses for purposes of—

''(1) specific energy and mineral research projects of broad application that could not otherwise be undertaken, including the expenses of planning and coordinating regional petroleum, geothermal, mining, and mineral engineering or beneficiation projects by two or more schools; and

''(2) research into any aspects of petroleum, geothermal, mining, or mineral engineering or beneficiation problems, including but not limited to exploration, that are related to the mission of the Department of the Interior.

''SEC. 6. SUPPORT FOR SCHOOLS WITH ENERGY AND MINERAL RESOURCE PROGRAMS IN PETROLEUM AND MINERAL EXPLORATION GEOLOGY, PETROLEUM GEOPHYSICS, OR MINING GEOPHYSICS.

''(a) Twelve percent of the annual outlay of funds authorized by section 23(d) of the Deep Ocean Energy Resources Act of 2006 may be granted to schools, universities, and institutions other than those described in sections 3 and 4.

''(b) The Secretary shall determine the eligibility of a college or university to receive funding under this Act using criteria that include—

''(1) the presence of a substantial program of undergraduate and graduate geoscience instruction and research in one or more of the following specialties: petroleum geology, geothermal geology, mineral exploration geology, economic geology, industrial minerals geology, mining geology, petroleum geophysics, mining geophysics, geological engineering, or geophysical engineering that has a demonstrated history of achievement;

''(2) evidence of institutional commitment for the purposes of this Act that includes a significant opportunity for participation by undergraduate students in research;

''(3) evidence that such school, university, or institution has or can obtain significant industrial cooperation in activities within the scope of this Act;

''(4) agreement by the school, university, or institution to maintain the programs for which the funding is sought for the 10-year period beginning on the date the school, university, or institution first receives such funds; and

''(5) requiring that such funding shall be for the purposes set forth in subsections (c) through (h) of section 3 and subject to the conditions set forth in section 3(h).

''(c) The Secretary shall seek the advice of the Committee established pursuant to section 11 in determining the criteria used to carry out this section.

''SEC. 7. DESIGNATION OF FUNDS FOR SCHOLARSHIPS AND FELLOWSHIPS.

''(a) The Secretary shall utilize 10 percent of the annual outlay of funds authorized by section 23(d) of the Deep Ocean Energy Resources Act of 2006 for the purpose of providing merit-based scholarships for undergraduate education, graduate fellowships, and postdoctoral fellowships.

''(b) In order to receive a scholarship or a graduate fellowship, an individual student must be a lawful permanent resident of the United States or a United States citizen and must agree in writing to complete a course of studies and receive a degree in petroleum, mining, or mineral engineering, petroleum geology, geothermal geology, mining and economic geology, petroleum and mining geophysics, or mineral economics.

''(c) The regulations required by section 9 shall require that an individual, in order to retain a scholarship or graduate fellowship, must continue in one of the course of studies listed in subsection (b) of this section, must remain in good academic standing, as determined by the school, institution, or university and must allow for reinstatement of the scholarship or graduate fellowship by the Secretary, upon the recommendation of the school or institution. Such regulations may also provide for recovery of funds from an individual who fails to complete any of the courses of study listed in subsection (b) of this section after notice that such completion is a requirement of receipt funding under this Act.

''(d) To carry out this section, the Secretary shall award grants to schools, universities, and institutions that are eligible to receive funding under section 3, 4 or 6. A school, university, or institution receiving funding under this subsection shall be responsible for enforcing the requirements of this section for scholarship or fellowship students and shall return to the Secretary any funds recovered from an individual under subsection (c). An institution seeking funds under this subsection shall describe, in its application to the Secretary for funding, the number of students that would be awarded scholarships or fellowships if the application is approved, how such students would be selected, and how the provisions of this section will be enforced.

''SEC. 8. FUNDING CRITERIA FOR INSTITUTIONS.

''(a) Each application to the Secretary for funds under this Act shall state, among other things, the nature of the project to be undertaken; the period during which it will be pursued; the qualifications of the personnel who will direct and conduct it; the estimated costs; the importance of the project to the Nation, region, or States concerned; its relation to other known research projects theretofore pursued or being pursued; the extent to which the proposed project will maximize the opportunity for the training of undergraduate petroleum, mining, and mineral engineers; geologists and geophysicists; and the extent of participation by nongovernmental sources in the project.

''(b) No funds shall be made available under this Act except for an application approved by the Secretary. All funds shall be made available upon the basis of merit of the application, the need for the knowledge that it is expected to produce when completed, and the opportunity it provides for the undergraduate training of individuals as petroleum, mining, and mineral engineers, geologists, and geophysicists. The Secretary may use competitive review by nongovernmental experts in relevant fields to determine which applications to approve, to the extent practicable.

''(c) Funds available under this Act shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by the Secretary. Each school, university, or institution that receives funds under this Act shall—

''(1) establish its plan to provide for the training of individuals as petroleum, mining, and mineral engineers, geologists, and geophysicists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields;

''(2) establish policies and procedures that assure that Federal funds made available under this Act for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this Act, and in no case supplant such funds; and

''(3) have an officer appointed by its governing authority who shall receive and account for all funds paid under this Act and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under this Act during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary.

''(d) If any of the funds received by the authorized receiving officer of a program under this Act are found by the Secretary to have been improperly diminished, lost, or misapplied, such funds shall be recovered by the Secretary.

''(e) Schools, universities, and institutions receiving funds under this Act are authorized and encouraged to plan and conduct programs under this Act in cooperation with each other and with such other agencies, business enterprises and individuals.

''SEC. 9. DUTIES OF SECRETARY.

''(a) The Secretary, acting through the Assistant Secretary for Land and Minerals Management, shall administer this Act and shall prescribe such rules and regulations as may be necessary to carry out its provisions not later than 1 year after the enactment of the Deep Ocean Energy Resources Act of 2006.

''(b)(1) There is established in the Department of the Interior, under the supervision of the Assistant Secretary for Land and Minerals Management, an office to be known as the Office of Petroleum and Mining Schools (hereafter in this Act referred to as the 'Office') to administer the provisions of this Act. There shall be a Director of the Office who shall be a member of the Senior Executive Service. The position of the Director shall be allocated from among the existing Senior Executive Service positions at the Department of the Interior and shall be a career reserved position as defined in section 3132(a)(8) of title 5, United States Code.

''(2) The Director is authorized to appoint a Deputy Director and to employ such officers and employees as may be necessary to enable the Office to carry out its functions. Such appointments shall be made from existing positions at the Department of the Interior, and shall be subject to the provisions of title 5, United States Code, governing appointments in the competitive service. Such positions shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

''(3) In carrying out his or her functions, the Director shall assist and advise the Secretary and the Committee pursuant to section 11 of this Act by—

''(A) providing professional and administrative staff support for the Committee including recordkeeping and maintaining minutes of all Committee and subcommittee meetings;

''(B) coordinating the activities of the Committee with Federal agencies and departments, and the schools, universities, and institutions to which funds are provided under this Act;

''(C) maintaining accurate records of funds disbursed for all scholarship and fellowship grants, research grants, and grants for career technical education purposes;

''(D) preparing any regulations required to implement this Act;

''(E) conducting site visits at schools, universities, and institutions receiving funding under this Act; and

''(F) serving as a central repository for reports and clearing house for public information on research funded by this Act.

''(4) The Director or an employee of the Office shall be present at each meeting of the Committee pursuant to section 11 or a subcommittee of such Committee.

''(5) The Director is authorized to contract with public or private agencies, institutions, and organizations and with individuals without regard to section 3324(a) and (b) of title 31, United States Code, and section 5 of title 41, United States Code, in carrying out his or her functions.

''(6) As needed the Director shall ascertain whether the requirements of this Act have been met by schools, universities, institutions, and individuals.

''(c) The Secretary, acting through the Office of Petroleum and Mining Schools, shall furnish such advice and assistance as will best promote the purposes of this Act, shall participate in coordinating research, investigations, demonstrations, and experiments initiated under this Act, shall indicate to schools, universities, and institutions receiving funds under this Act such lines of inquiry that seem most important, and shall encourage and assist in the establishment and maintenance of cooperation between such schools, universities, and institutions, other research organizations, the Department of the Interior, and other Federal agencies.

''(d) The Secretary shall establish procedures—

''(1) to ensure that each employee and contractor of the Office established by this section and each member of the Committee pursuant to section 11 of this Act shall disclose to the Secretary any financial interests in or financial relationships with schools, universities, institutions or individuals receiving funds, scholarships or fellowships under this Act;

''(2) to require any employee, contractor, or member of the Committee with a financial relationship disclosed under paragraph (1) to recuse themselves from—

''(A) any recommendation or decision regarding the awarding of funds, scholarships or fellowships; or

''(B) any review, report, analysis or investigation regarding compliance with the provisions of this Act by a school, university, institution or any individual.

''(e) On or before the first day of July of each year beginning after the date of enactment of this sentence, schools, universities,

and institutions receiving funds under this Act shall certify compliance with this Act and upon request of the Director of the office established by this section provide documentation of such compliance.

''(f) An individual granted a scholarship or fellowship with funds provided under this Act shall through their respective school, university, or institution, advise the Director of the office established by this Act of progress towards completion of the course of studies and upon the awarding of the degree within 30 days after the award.

''(g) The regulations required by this section shall include a preference for veterans and service members who have received or will receive either the Afghanistan Campaign Medal or the Iraq Campaign Medal as authorized by Public Law 108–234, and Executive Order 13363.

''SEC. 10. COORDINATION.

''(a) Nothing in this Act shall be construed to impair or modify the legal relationship existing between any of the schools, universities, and institutions under whose direction a program is established with funds provided under this Act and the government of the State in which it is located. Nothing in this Act shall in any way be construed to authorize Federal control or direction of education at any school, university, or institution.

''(b) The programs authorized by this Act are intended to enhance the Nation's petroleum, mining, and mineral engineering education programs and to enhance educational programs in petroleum and mining exploration and to increase the number of individuals enrolled in and completing these programs. To achieve this intent, the Secretary and the Committee pursuant to section 11 shall receive the continuing advice and cooperation of all agencies of the Federal Government concerned with the identification, exploration, and development of energy and mineral resources.

''(c) Nothing in this Act is intended to give or shall be construed as giving the Secretary any authority over mining and mineral resources research conducted by any agency of the Federal Government, or as repealing or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with regard to mining and mineral resources.

''(d) The schools, universities, and institutions receiving funding under this Act shall make detailed reports to the Office of Petroleum and Mining Schools on projects completed, in progress, or planned with funds provided under this Act. All such reports shall be available to the public on not less than an annual basis through the Office of Petroleum and Mining Schools. All uses, products, processes, and other developments resulting from any research, demonstration, or experiment funded in whole or in part under this Act shall be made available promptly to the general public, subject to exception or limitation, if any, as the Secretary may find necessary in the interest of national security, and subject to the applicable Federal law governing patents.

''SEC. 11. COMMITTEE ON PETROLEUM, MINING, AND MINERAL ENGINEERING AND ENERGY AND MINERAL RESOURCE EDUCATION.

''(a) The Secretary shall appoint a Committee on Petroleum, Mining, and Mineral Engineering and Energy and Mineral Resource Education composed of—

''(1) the Assistant Secretary of the Interior responsible for land and minerals management and not more than 16 other persons who are knowledgeable in the fields of mining and mineral resources research, including 2 university administrators one of whom shall be from historic and existing petroleum and mining schools; a community, technical, or tribal college administrator; a career technical education educator; 6 representatives equally distributed from the petroleum, mining, and aggregate industries; a working miner; a working oilfield worker; a representative of the Interstate Oil and Gas Compact Commission; a representative from the Interstate Mining Compact Commission; a representative from the Western Governors Association; a representative of the State geologists, and a representative of a State mining and reclamation agency. In making these 16 appointments, the Secretary shall consult with interested groups.

''(2) The Assistant Secretary for Land and Minerals Management, in the capacity of the Chairman of the Committee, may have present during meetings of the Committee representatives of Federal agencies with responsibility for energy and minerals resources management, energy and mineral resource investigations, energy and mineral commodity information, international trade in energy and mineral commodities, mining safety regulation and mine safety research, and research into the development, production, and utilization of energy and mineral commodities. These representatives shall serve as technical advisors to the committee and shall have no voting responsibilities.

''(b) The Committee shall consult with, and make recommendations to, the Secretary on policy matters relating to carrying out this Act. The Secretary shall consult with and carefully consider recommendations of the Committee in such matters.

''(c) Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing Committee business, paid at a rate fixed by the Secretary but not in excess of the daily equivalent of the maximum rate of pay for level IV of the Executive Schedule under section 5136 of title 5, United States Code, and shall be fully reimbursed for travel, subsistence, and related expenses.

''(d) The Committee shall be chaired by the Assistant Secretary of the Interior responsible for land and minerals management. There shall also be elected a Vice Chairman by the Committee from among the members referred to in this section. The Vice Chairman shall perform such duties as are determined to be appropriate by the committee, except that the Chairman of the Committee must personally preside at all meetings of the full Committee. The Committee may organize itself into such subcommittees as the Committee may deem appropriate.

''(e) Following completion of the report required by section 385 of the Energy Policy Act of 2005, the Committee shall consider the recommendations of the report, ongoing efforts in the schools, universities, and institutions receiving funding under this Act, the Federal and State Governments, and the private sector, and shall formulate and recommend to the Secretary a national plan for a program utilizing the fiscal resources provided under this Act. The Committee shall submit such plan to the Secretary for approval. Upon approval, the plan shall guide the Secretary and the Committee in their actions under this Act.

''(f) Section 10 of the Federal Advisory Committee Act (5 U.S.C. App. 2) shall not apply to the Committee.

''SEC. 12. CAREER TECHNICAL EDUCATION.

''(a) Up to 25 percent of the annual outlay of funds authorized by section 23(d) of the Deep Ocean Energy Resources Act of 2006 may be granted to schools or institutions including, but not limited to, colleges, universities, community colleges, tribal colleges and universities, technical institutes, secondary schools, other than those described in sections 3, 4, 5, and 6, and jointly sponsored apprenticeship and training programs that are authorized by Federal law.

''(b) The Secretary shall determine the eligibility of a school or institution to receive funding under this section using criteria that include—

''(1) the presence of a State-approved program in mining engineering technology, petroleum engineering technology, industrial engineering technology, or industrial technology that—

''(A) is focused on technology and its use in energy and mineral production and related maintenance, operational safety, or energy infrastructure protection and security;

''(B) prepares students for advanced or supervisory roles in the mining industry or the petroleum industry; and

''(C) grants either an associate's degree or a baccalaureate degree in one of the subjects listed in subparagraph (A);

''(2) the presence of a program, including a secondary school vocational education program or career academy, that provides training for individuals entering the petroleum, coal mining, or mineral mining industries; or

''(3) the presence of a State-approved program of career technical education at a secondary school, offered cooperatively with a community college in one of the industrial sectors of—

''(A) agriculture, forestry, or fisheries;

''(B) utilities;

''(C) construction;

''(D) manufacturing; and

''(E) transportation and warehousing.

''(c) Schools or institutions receiving funds under this section must show evidence of an institutional commitment for the purposes of career technical education and provide evidence that the school or institution has received or will receive industry cooperation in the form of equipment, employee time, or donations of funds to support the activities that are within the scope of this section.

''(d) Schools or institutions receiving funds under this section must agree to maintain the programs for which the funding is sought for a period of 10 years beginning on the date the school or institution receives such funds, unless the Secretary finds that a shorter period of time is appropriate for the local labor market or is required by State authorities.

''(e) Schools or institutions receiving funds under this section may combine these funds with State funds, and other Federal funds where allowed by law, to carry out programs described in this section, however the use of the funds received under this section must be reported to the Secretary not less than annually.

''(f) The Secretary shall seek the advice of the Committee established pursuant to section 11 in determining the criteria used to carry out this section.

''SEC. 13. DEPARTMENT OF THE INTERIOR WORKFORCE ENHANCEMENT.

''(a) PHYSICAL SCIENCE, ENGINEERING AND TECHNOLOGY SCHOLARSHIP PROGRAM.—

''(1) From the amount of funds available to carry out this section, the Secretary shall use 30 percent of that amount to provide financial assistance for education in physical sciences, engineering, and engineering or industrial technology and disciplines that, as determined by the Secretary, are critical to the functions of the Department of the Interior and are needed in the Department of the Interior workforce.

''(2) The Secretary of the Interior may award a scholarship in accordance with this section to a person who—

''(A) is a citizen of the United States;

''(B) is pursuing an undergraduate or advanced degree in a critical skill or discipline

described in paragraph (1) at an institution of higher education; and

''(C) enters into a service agreement with the Secretary of the Interior as described in subsection (e).

''(3) The amount of the financial assistance provided under a scholarship awarded to a person under this subsection shall be the amount determined by the Secretary of the Interior as being necessary to pay all educational expenses incurred by that person, including tuition, fees, cost of books, laboratory expenses, and expenses of room and board. The expenses paid, however, shall be limited to those educational expenses normally incurred by students at the institution of higher education involved.

''(b) SCHOLARSHIP PROGRAM FOR STUDENTS ATTENDING MINORITY SERVING HIGHER EDUCATION INSTITUTIONS.—

''(1) From the amount of funds available to carry out this section, the Secretary shall use 35 percent of that amount to award scholarships in accordance with this section to persons who—

''(A) are enrolled in a Minority Serving Higher Education Institutions.

''(B) are citizens or nationals of the United States;

''(C) are pursuing an undergraduate or advanced degree in agriculture, engineering, engineering or industrial technology, or physical sciences, or other discipline that is found by the Secretary to be critical to the functions of the Department of the Interior and are needed in the Department of the Interior workforce; and

''(D) enter into a service agreement with the Secretary of the Interior as described in subsection (e).

''(2) The amount of the financial assistance provided under a scholarship awarded to a person under this subsection shall be the amount determined by the Secretary of the Interior as being necessary to pay all educational expenses incurred by that person, including tuition, fees, cost of books, laboratory expenses, and expenses of room and board. The expenses paid, however, shall be limited to those educational expenses normally incurred by students at the institution of higher education involved.

''(c) EDUCATION PARTNERSHIPS WITH MINORITY SERVING HIGHER EDUCATION INSTITUTIONS.—

''(1) The Secretary shall require the director of each Bureau and Office, to foster the participation of Minority Serving Higher Education Institutions in any regulatory activity, land management activity, science activity, engineering or industrial technology activity, or engineering activity carried out by the Department of the Interior.

''(2) From the amount of funds available to carry out this section, the Secretary shall use 35 percent of that amount to support activities at Minority Serving Higher Education Institutions by—

''(A) funding faculty and students in these institutions in collaborative research projects that are directly related to the Departmental or Bureau missions;

''(B) allowing equipment transfer to Minority Serving Higher Education Institutions as a part of a collaborative research program directly related to a Departmental or Bureau mission;

''(C) allowing faculty and students at these Minority Serving Higher Education Institutions to participate Departmental and Bureau training activities;

''(D) funding paid internships in Departmental and Bureau facilities for students at Minority Serving Higher Education Institutions;

''(E) assigning Departmental and Bureau personnel to positions located at Minority Serving Higher Educational Institutions to serve as mentors to students interested in a science, technology or engineering disciplines related to the mission of the Department or the Bureaus.

''(d) SERVICE AGREEMENT FOR RECIPIENTS OF ASSISTANCE.—

''(1) To receive financial assistance under subsection (a) or (b) of this section—

''(A) in the case of an employee of the Department of the Interior, the employee shall enter into a written agreement to continue in the employment of the department for the period of obligated service determined under paragraph (2); and

''(B) in the case of a person not an employee of the Department of the Interior, the person shall enter into a written agreement to accept and continue employment in the Department of the Interior for the period of obligated service determined under paragraph (2).

''(2) For the purposes of this section, the period of obligated service for a recipient of a scholarship under this section shall be the period determined by the Secretary of the Interior as being appropriate to obtain adequate service in exchange for the financial assistance provided under the scholarship. In no event may the period of service required of a recipient be less than the total period of pursuit of a degree that is covered by the scholarship. The period of obligated service is in addition to any other period for which the recipient is obligated to serve in the civil service of the United States.

''(3) An agreement entered into under this subsection by a person pursuing an academic degree shall include any terms and conditions that the Secretary of the Interior determines necessary to protect the interests of the United States or otherwise appropriate for carrying out this section.

''(e) REFUND FOR PERIOD OF UNSERVED OBLIGATED SERVICE.—

''(1) A person who voluntarily terminates service before the end of the period of obligated service required under an agreement entered into under subsection (d) shall refund to the United States an amount determined by the Secretary of the Interior as being appropriate to obtain adequate service in exchange for financial assistance.

''(2) An obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) The Secretary of the Interior may waive, in whole or in part, a refund required under paragraph (1) if the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

''(4) A discharge in bankruptcy under title 11, United States Code, that is entered less than five years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under such agreement or under this subsection.

''(f) RELATIONSHIP TO OTHER PROGRAMS.—The Secretary of the Interior shall coordinate the provision of financial assistance under the authority of this section with the provision of financial assistance under the authorities provided in this Act in order to maximize the benefits derived by the Department of Interior from the exercise of all such authorities.

''(g) REPORT.—Not later than September 1 of each year, the Secretary of the Interior shall submit to the Congress a report on the status of the assistance program carried out under this section. The report shall describe the programs within the Department designed to recruit and retain a workforce on a short-term basis and on a long-term basis.

''(h) DEFINITIONS.—As used in this section:

''(1) The term 'Minority Serving Higher Education Institutions' means a Hispanic-serving institution, historically Black college or university, Alaska Native-serving institution, tribal college or university, or insular area school.

''(2) The term 'Hispanic-serving institution' has the meaning given the term in section 502(a) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)).

''(3) The term 'historically Black college or university' has the meaning given the term 'part B institution' in section 322 of the Higher Education Act of 1965 (20 U.S.C. 1061).

''(4) The term 'tribal college or university' has the meaning given the term 'Tribal College or University' in section 316(b)(3) of the Higher Education Act of 1965 (20 U.S.C. 1059c).

''(5) The term 'institution of higher education' has the meaning given such term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

''(6) The term 'Alaska Native-serving institution' has the meaning given the term in section 317 of the Higher Education Act of 1965 (20 U.S.C. 1059d).

''(7) The term 'insular area school' means an academic institution or university in American Samoa, Guam, The Northern Mariana Islands, Puerto Rico, and the Virgin Islands, or any other territory or possession of the United States.

''(i) FUNDING.—To implement this section, the Secretary shall use 3 percent of the annual outlay authorized by section 23(d) of the Deep Ocean Energy Resources Act of 2006.''.

(b) FUNDING FOR ENERGY RESEARCH.—

(1) Using 20 percent of the funds authorized by subsection (d), the Secretary of Energy, through the energy supply research and development programs of the Department of Energy, and in consultation with the Office of Science of the Department of Energy, shall carry out a program to award grants to institutions of higher education on the basis of competitive, merit-based review, for the purpose of conducting research on advanced energy technologies with the potential to transform the energy systems of the United States so as to—

(A) reduce dependence on foreign energy supplies;

(B) reduce or eliminate emissions of greenhouse gases;

(C) reduce negative environmental effects associated with energy production, storage, and use; and

(D) enhance the competitiveness of United States energy technology exports.

(2) Awards made under this subsection may include funding for—

(A) energy efficiency;

(B) renewable energy, including solar, wind, and biofuels; and

(C) nuclear, hydrogen, and any other energy research that could accomplish the purpose set forth in paragraph (1).

(3) The Secretary of Energy may require or authorize grantees under this subsection to partner with industry, but only to the extent that such a requirement does not prevent long-range, potentially pathbreaking research from being funded under this subsection.

(4) An institution of higher education seeking funding under this subsection shall submit an application at such time, in such manner, and containing such information as the Secretary of Energy may require.

(5) In this subsection, the term ''institution of higher education'' has the meaning given that term in section 101(a) of the Higher Education Act of 1965.

(c) FUNDING FOR ENERGY SCHOLARSHIPS.—

(1) Using 5 percent of the funds authorized by subsection (d), the Secretary of Energy, through the energy supply research and development programs of the Department of Energy, and in consultation with the Office

of Science of the Department of Energy, shall carry out a program to award grants to institutions of higher education on the basis of competitive, merit-based review, to grant graduate traineeships to Ph.D. students who are citizens of the United States who will carry out research on advanced energy technologies to accomplish the purpose set forth in subsection (c)(1).

(2) Awards made under this subsection may include funding for—

(A) energy efficiency;

(B) renewable energy, including solar, wind, and biofuels; and

(C) nuclear, hydrogen, and any other energy research that would accomplish the purpose set forth in subsection (c)(1) that is not eligible for funding under section 7 of the Energy and Mineral Schools Reinvestment Act.

(3) An institution of higher education seeking funding under this subsection shall submit an application at such time, in such manner, and containing such information as the Secretary of Energy may require.

(4) In this subsection, the term ''institution of higher education'' has the meaning given that term in section 101(a) of the Higher Education Act of 1965.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $150,000,000 for each of fiscal years 2007 through 2017.

Page 95, line 3, before the semicolon insert the following: '', with particular consideration awarded to establishing programs at minority serving institutions''.

Page 96, line 18, before the period insert the following: '', with particular consideration awarded to minority serving institutions''.

Page 123, beginning at line 22, strike ''The purpose'' and all that follows through ''funding for'' at line 23 and insert ''The purpose of this section is to provide for''.

Page 124, line 6, strike the semicolon and insert a period.

Page 124, strike line 7 and all that follows through page 129, line 9, and insert the following:

(c) STATE DEFINED.—In this section the term ''State'' means the agency of a State designated by its Governor or State law to perform the functions and activities described in subsection (b).

Page 129, line 10, strike ''(e)'' and insert ''(c)''.

Page 131, strike lines 14 through 18 and insert the following:

(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection for each of fiscal years 2007 through 2011 not less than $35,000,000. Each pilot project

Page 131, line 21, strike ''(f)'' and insert ''(d)''.

Page 134, strike line 15 and all that follows through ''fiscal year.'' at line 18 and insert the following:

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection for each of fiscal years 2007 through 2011 not less than $5,000,000. Each pilot project

Page 135, line 12, strike ''(g)'' and insert ''(e)''.

Page 137, strike lines 9 through 11 and insert the following:

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection—

(A) $65,000,000 for fiscal year 2007; and

(B) $37,500,000 for each of fiscal years 2008 through 2013.

Page 137, line 12, strike ''(h)'' and insert ''(f)''.

Page 137, strike line 21 and 22 and insert the following:

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection funds for

Page 138, line 4, strike ''517'' and insert ''507''.

Page 138, line 9, strike ''(b)(1)'' and insert ''(b)(13) or (b)(14)''.

Page 147 , line 14, strike section 30 and insert the following:

SEC. 30. AVAILABILITY OF OCS RECEIPTS TO PROVIDE PAYMENTS UNDER SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000.

Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended by inserting after subsection (i), as added by section 7 of this Act, the following new subsection:

''(j) CONDITIONAL AVAILABILITY OF FUNDS FOR PAYMENTS UNDER SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000.—

''(1) AVAILABILITY OF FUNDS.—Subject to paragraph (2), but notwithstanding any other provision of this section, $50,000,000 of OCS Receipts shall be available to the Secretary of the Treasury for each of fiscal years 2007 through 2012 to make payments under sections 102 and 103 of the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106–393; 16 U.S.C. 500 note). The Secretary of the Treasury shall use the funds made available by this subsection to make such payments in lieu of using funds in the Treasury not otherwise appropriated, as otherwise authorized by sections 102(b)(3) and 103(b)(2) of such Act.

''(2) CONDITION ON AVAILABILITY.—OCS Receipts shall be available under paragraph (1) for a fiscal year only if—

''(A) title I of the Secure Rural Schools and Community Self-Determination Act of 2000 has been reauthorized through at least that fiscal year; and

''(B) the authority to initiate projects under titles II and III of such Act has been extended through at least that fiscal year.''.

Add at the end the following:

SEC. 31. SENSE OF THE CONGRESS TO BUY AND BUILD AMERICAN.

(a) BUY AND BUILD AMERICAN.—It is the intention of the Congress that this Act, among other things, result in a healthy and growing American industrial, manufacturing, transportation, and service sector employing the vast talents of America's workforce to assist in the development of affordable energy from the Outer Continental Shelf. Moreover, the Congress intends to monitor the deployment of personnel and material in the Outer Continental Shelf to encourage the development of American technology and manufacturing to enable United States workers to benefit from this Act by good jobs and careers, as well as the establishment of important industrial facilities to support expanded access to American resources.

(b) SAFEGUARD FOR EXTRAORDINARY ABILITY.—Section 30(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1356(a)) is amended in the matter preceding paragraph (1) by striking ''regulations which'' and inserting ''regulations that shall be supplemental and complimentary with and under no circumstances a substitution for the provisions of the Constitution and laws of the United States extended to the subsoil and seabed of the outer Continental Shelf pursuant to section 4(a)(1) of this Act, except insofar as such laws would otherwise apply to individuals who have extraordinary ability in the sciences, arts, education, or business, which has been demonstrated by sustained national or international acclaim, and that''.

MODIFICATION TO AMENDMENT NO. 1 OFFERED BY MR. POMBO

Mr. POMBO. Mr. Chairman, I have a modification at the desk.

The Acting CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 1 offered by Mr. POMBO:

Page 1, line 1, strike ''1996'' and insert ''1995''.

Page 21, line 24, before the semicolon, insert the following: '', with particular consideration awarded to establishing programs and minority serving institutions''.

Page 23, line 18, before the period, insert the following: '', with particular consideration awarded to minority serving institutions''.

Page 52, strike the instruction relating to page 95.

Page 53, strike the instruction relating to page 96.

The Acting CHAIRMAN. Without objection, the amendment is modified.

There was no objection.

The Acting CHAIRMAN. Pursuant to House Resolution 897, the gentleman from California (Mr. POMBO) and the gentleman from West Virginia (Mr. RAHALL) each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. POMBO. Mr. Chairman, I would like to yield 1 minute to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, with adoption of the manager's amendment, this bill is going to give Floridians protection for their coast that we haven't ever had before. And I think it is important to note that some of our colleagues from Florida have misrepresented exactly what this bill is going to do.

We have fought since 1983 to maintain a moratorium off Florida's Gulf Coast against drilling of any kind. This manager's amendment, and this bill, will guarantee that off of Florida's west coast, a district that I represent, Mr. BILIRAKIS represents, others represent, there will be a protection zone of 235, get this, 235 miles because in the manager's amendment the so-called military mission line is put into statute. It is made permanent and anything east of that line in the Gulf of Mexico there will be no drilling. So Florida's west coast is protected far and above where we had originally requested, 235 miles. That is a lot of protection. And this manager's amendment makes this bill good for Florida.

□ 1615

Mr. RAHALL. Mr. Chairman, has the chairman explained the amendment yet?

Mr. POMBO. If the gentleman will yield, I am yielding time on my time. You can yield time on yours.

Mr. RAHALL. Mr. Chairman, as I understand, if I am on the right amendment, the pending amendment drops some provisions of the underlying legislation such as new royalty relief, which should never have been part of the bill to begin with.

On balance, however, the amendment consists of budget gimmickry designed to hide the true costs to the Treasury of the bill and to pacify CBO by pushing the spending beyond the 10-year

scoring window. Under the manager's amendment, State revenue sharing will cost the Federal Treasury $18 billion in the first 10 years under the CBO analysis.

According to the MMS, Minerals Management Service, which administers the offshore OCS oil and gas leasing program, this legislation's provisions for diverting Federal revenues to States will cost $74 billion over the first 15 years and a staggering $600 billion over six decades. So under the manager's amendment, the new gimmickry, as I understand it, the Federal spending is largely deferred until 10 years and then the costs escalate rapidly and continue permanently. So that is the basis for my opposition.

It is a new, permanent entitlement program with 80 percent of the diverted Federal revenue goes only to four States, as we have heard in previous debate, those States being Louisiana, Texas, Alabama, and Mississippi. This is revenue that is generated from the development of oil and gas resources owned by all the American people. All of our names are on the deed. And it currently goes to the Federal Treasury and is allocated by Congress for many, many national priorities that are getting slashed these days.

And despite assertions to the contrary, this is not new revenue to be generated by this bill, but rather it is existing revenue that is generated under current laws allowing for the development of oil and gas on Federal OCS lands, primarily in the Gulf of Mexico. The publicly-owned OCS resources are far beyond the State boundaries, and to grant the adjacent Gulf States a permanent entitlement to those revenues is to the detriment and at the cost of all the other States.

Mr. Chairman, I reserve the balance of my time in opposition to the manager's amendment.

Mr. POMBO. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, this is about natural gas. Natural gas not for Texas or Louisiana but natural gas for the entire country, Midwest, Southwest, east coast, for the entire country.

Energy imports now make up one-third of America's trade deficit. Through this bill America could improve the supply/demand imbalance, lower consumer prices, and increase jobs by producing more of its own energy resources.

I want to make sure that we do have an environmentally safe way of finding energy. I also want to expand the opportunities for jobs. And this manager's amendment creates petroleum and mining programs in historically black colleges and Hispanic-serving colleges. In addition, it provides consideration for programs dealing with energy and mineral resource programs to train future geologists so that we can be independent as well as look to alternative fuels. And then I would hope that this legislation, as it moves towards conference, can reinforce our commitment to giving competitive advantage to a certain extent to small minority-owned and women-owned businesses so they have equal access to oil and gas leases.

I hope we can work together as we move this legislation forward.

Mr. Chairman, I appreciate that two of my amendments to H.R. 4761, the Deep Ocean Energy Resources Act of 2006, have been incorporated into the Manager's Amendment. In addition, I have another amendment which I will be introducing on the floor.

First and foremost, I must admit that I do have reservations about certain provisions in this bill and the process with which this bill has arrived on the House floor. I think many of us would agree that the issues central to this bill, the future of energy exploration off of our Pacific, Atlantic, and Gulf coastlines, deserves more time for deliberation and debate. Also, I would have preferred if this bill would have included more careful consideration of the environmental impact offshore drilling would have on our Continental Shelf Activities. However, this bill is about helping the production of clean natural gas cheaply for all of America.

Energy is the lifeblood of every economy, especially ours. Producing more of it leads to more good jobs, cheaper goods, lower fuel prices, and greater economic and national security. However, the U.S. is more than 60 percent dependent on foreign sources of energy, twice as dependent today as we were just 30 years ago. Although energy is the lifeblood of America's economic security, this growing and dangerous dependence has resulted in the loss of hundreds of thousands of good American jobs, skyrocketing consumer prices, and vulnerabilities in our national security.

Energy imports now make up one third of America's trade deficit. Through this bill, America could improve the supply-demand imbalance, lower consumer prices, and increase jobs by producing more of its own energy resources. With my district of Houston being the energy capital of the world, I support the efforts that this bill makes to recognize state stakeholders and incorporate their interests in revenue sharing.

According to the U.S. Minerals Management Service (MMS), America's deep seas on the Outer Continental Shelf (OCS) contain 420 trillion cubic feet of natural gas (the U.S. consumes 23 TCF per year) and 86 billion barrels of oil (the U.S. imports 4.5 billion per year). Even with all these energy resources, the U.S. sends more than $300 billion (and countless American jobs) overseas every year for energy we can create at home.

In some cases, the U.S. is facing much-higher energy prices than other countries. Natural gas, for example, is as much at ten times more expensive in the United States than it is in foreign nations. This fact alone has led to the loss of hundreds of thousands of high-paying American jobs, as natural gas-dependent factories are forced to close their doors and move overseas in search of more affordable energy. The outsourcing of American jobs is an issue of central importance to me and my constituents, and I believe this bill is a step in the right direction of bringing jobs back to hard-working Americans.

Yet the present issue I would like to speak on addresses the fact that contracts and leases, as considered in this bill, engage fierce competition from national and multinational corporations, in addition to domestic businesses. The share of businesses owned by minorities rose from 6.8 percent of all U.S. businesses in 1982 to 15.1 percent in 1997, yet this is far below representative of the proportion of the minority population today.

Historically, minority and women-owned businesses have been disadvantaged in seeking and winning these contracts. According to a survey by the Small Business Administration, minority-owned employer establishments had lower survival rates than non-minority-owned employer establishments between 1997 and 2002.

During 1997–2001, the business expansion rates of three minority business groups were higher than that for non-minority-owned businesses. While 27.4 percent of non-minority owned establishments expanded during this period, 34.0 percent of Hispanic-owned employer establishments expanded, as did 32.1 percent of Asian and Pacific Islander owned establishments, and 27.8 percent of American Indian/Alaska Native-owned establishments.

There may be inherent disadvantages for these businesses, but it is clear their potential is tremendous. This amendment ensures that these businesses have the ability to compete fairly for these lucrative opportunities.

I am very proud that my district, Harris County and Houston ranks sixth and Texas ranked fifth in the country for the largest number of African-American owned firms, following New York, California, Florida, and Georgia. Minority and women-owned businesses across the country will appreciate the effort to preserve their opportunity to compete for these contracts.

I encourage the esteemed members of the committee to remember that there are a great many barriers to minority and women business professionals, and provisions such as these preserve equal access and open opportunities.

In addition, we must continue to safeguard equal opportunities in fields of study and professions that have far too low of a minority ratio.

According to the National Center for Educational Statistics, Americans who are African-American, Hispanic, and Native American make up only 9.7 percent of the science and engineering workforce, compared to 16.8 percent of the entire U.S. labor force.

The National Science Foundation contends that although the proportions of women, Blacks, and Hispanics in science and engineering occupations have continued to grow over time, there are still fewer numbers in science than their proportions of the population. In addition, the representation of African-Americans in science and engineering occupations increased from 2.6 percent in 1980 to 6.9 percent in 2000. The representation of Hispanics increased from 2.0 percent to 3.2 percent. However, for Hispanics, this is proportionally less than their increase in the population.

With these provisions, the door should be opened a few more inches. We want America's youth to find their way to engineering and the sciences.

I encourage the esteemed members of the committee to remember that there are a great

many barriers to minorities and women pursuing degrees in the sciences and in advancing their small businesses. Accordingly, my amendments which have been incorporated into the Manager's Amendment and my amendment regarding minority serving institutions which I will introduce on the floor provide provisions which preserve fundamental American values of equal access and opportunities.

I urge my colleagues to support this amendment and final passage.

Mr. POMBO. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin (Mr. KIND).

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Chairman, I thank the gentleman for yielding me this time.

I find myself in the uncomfortable position of supporting legislation that my ranking member on the Resources Committee opposes, because I have all the respect and admiration for his knowledge of energy issues in this country.

And I am the first to admit, standing here today, that we do need a new energy policy for a new century, one that transitions off our dependence on the imports of foreign oil, on fossil fuel consumption generally, with major investments in alternative and renewable energy sources, biofuels, hybrid technology; the energy source of the future, which is hydrogen power.

But I also admit that this is not going to happen overnight. And the reality of the situation as it exists in the upper Midwest today is that we have well over 500 coal-burning electrical power plants today, 58 in Wisconsin, with many more in line of production. And the main reason they are moving to more coal burning in the upper Midwest is because of the spike of natural gas prices in this country. No one can convince me that that is good and healthy for our environment. No one can convince me that that is the best route to take in our battle against global warming in this country.

This, I believe, is commonsense legislation that brings the Gulf States into the decision-making as far as production off their coasts. I believe it will lead to a greater enhancement in production of natural gas capability in this country. It will enable us to buy some additional time in order to put together a long-ranging, forward-looking energy policy that makes sense for our consumers, makes sense for our economy, and perhaps more importantly, makes sense for our battle against global warming that we face on this planet.

I encourage my colleagues to support the legislation.

Mr. RAHALL. Mr. Chairman, I yield myself such time as I may consume, continuing to claim my time in opposition.

I understand that the administration has just come out with their position on this legislation; and, as I understand it, much to everybody's surprise, it is in opposition. It is in opposition on budget grounds, as I understand the statement that has just come out from the administration, as well as their opposition to the revenue-sharing proposals that are contained inherent in this current legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. POMBO. Mr. Chairman, I yield 1 minute to the gentleman from Hawaii (Mr. ABERCROMBIE).

(Mr. ABERCROMBIE asked and was given permission to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Chairman, I have been saying both in debate and on the floor and talking to people that we want to reach out to those who say they are in opposition. But it is difficult to reach out when you have to listen to the kinds of things that are being said here about revenues and all the rest of it.

Let us get something straight here. One hundred percent of nothing is nothing. There are no revenues coming in. All of these figures that are being bandied about as if we are losing something, we are not losing anything except energy independence in this country.

Now we have reached out to everybody that we wanted to speak to and who has wanted to be honest with us about what we are talking about here today.

We are losing jobs by the thousands. Why do you think that American labor is on our side in this? We are losing our petrochemical industries. We are losing our manufacturing base. We are losing our ability to farm, while rich, elite people in this country that support some of these environmental Taliban organizations are out there with the propaganda that is trying to say that some of us that are trying to get to energy independence are the ones that are causing the difficulty.

Well, let me tell you something. We are not going to back off on this, and we are not going to listen to lies about revenue and distortions about revenue. We are going to bring revenue into this country and bring energy independence into this country. We are not backing down, and we are not backing off.

Mr. RAHALL. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, I thank the gentleman for yielding.

So the Bush administration has now checked in, and the Bush administration is saying they are very unhappy about $600 billion being taken from the Federal Government and given to four States. They are unhappy with this rip-off of the Federal taxpayers of 46 States. This transfer of $600 billion, down here. Yes, drill down here. Yes, drill tomorrow. Yes, at $70 a barrel, drill, drill, drill. That is 80 percent. But do not ship $600 billion from the red States, the 46 States, down to only four States.

That is what the Bush administration just said to you all. It will force him to cut the budget in Iraq. It will force him to cut Medicare. Even this administration does not want this additional $600 billion loss.

The Acting CHAIRMAN. The gentleman from California has 30 seconds remaining, and the gentleman from West Virginia has the right to close.

Mr. POMBO. Mr. Chairman, I yield myself the balance of my time.

I say that, regardless of how I describe the amendment, it really does not matter, because they make it up as they go along. And in terms of the message from the President, it actually says: ''The administration supports House passage of H.R. 4761 to advance the legislative process.'' They did not come out and oppose it.

The underlying manager's amendment was an agreement that we worked out with so many different people in order to take care of issues that they had.

I urge support of the manager's amendment.

Mr. RAHALL. Mr. Chairman, I yield myself the balance of my time.

That hardly sounds like a ringing endorsement of the legislation. When the administration says they want to move the process forward, I hardly think that means that they will sign the current bill as written into law. And I have the administration's language here in front of me.

Mr. POMBO. Mr. Chairman, will the gentleman yield?

Mr. RAHALL. Yes, I will yield. Did they say that it was signed into law?

Mr. POMBO. Did they say that they opposed it?

Mr. RAHALL. Well, it is hardly a ringing endorsement. I have been here 30 years, and I have seen administrations endorse legislation or I have seen where they wanted to move along the process.

Reclaiming my time, the way I read it, although I don't have my glasses, it is to move this process forward.

''The administration strongly opposes revenue sharing . . . '' I am reading now. My eyes just focused.

''The administration strongly opposes revenue-sharing provisions that do not incentivize production and that would reduce Federal receipts relative to current law and have a long-term impact on the Federal deficit. The administration's preliminary estimate is that the revenue-sharing provisions of H.R. 4761 would reduce Federal receipts by several hundred billion dollars over 60 years.''

Is that a ringing endorsement? Is that support of the legislation? Read the English language.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. POMBO), as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. INSLEE

The Acting CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 109–540.

Mr. INSLEE. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. INSLEE:

In section 26(h)(3) (page 137, line 24), strike ''$6,000,000'' and insert ''$20,000,000''.

The Acting CHAIRMAN. Pursuant to House Resolution 897, the gentleman from Washington (Mr. INSLEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Washington.

Mr. INSLEE. Mr. Chairman, I yield myself such time as I may consume.

This is a very simple amendment that will increase the amount of authorization for clean, renewable ocean energy projects from the current $6 million to $20 million.

We have enormous potential off of our shores not only for oil and gas but for clean, renewable sources, including wave power-generated electricity and current-generated electricity, and there are several places in the United States where we are doing that today. In fact, in Hawaii, we have a wave power system that is generating electricity for the United States Navy, a very ingenious product that is essentially an ocean bell that bobs up and down just underneath the surface of the ocean, drives a hydraulic system, and generates electricity.

Just to give you an order of magnitude of the capacity that we may have to develop off our shores, a 10 megawatt power station would only use 30 acres of ocean space. That is enough for 10,000 homes. A 10 by 10 area off our oceans has enough capacity, and this is pretty amazing when you think about it, to generate all of the electricity used in the State of California. Now, these are prototypes in the water today, but we think they have great, great potential. So we would like a modest increase to allow this technology to go forward.

It is a very modest increase, of course, and here is something we can do with our oceans that is clean and renewable. And we have heard the science coming out on global warming, the importance of not just relying on fossil fuel in our energy plan.

Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. HOLT).

□ 1630

Mr. HOLT. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in support of this amendment to devote more resources to extracting energy from the ocean. We should be doing everything we can to develop all sustainable environmentally benign sources. Ocean sources, whether you are talking about thermal gradients, tidal power, wave power, have a lot, a lot of energy and in many cases they can be extracted in an environmentally benign way.

My colleague from Washington spoke about a kind of technology, for example, Ocean Power Technologies Company located in New Jersey has an installation in Hawaii that extracts energy from the waves and converts that to electricity. The buoys are located well offshore. They are invisible to residents from the coast line. There are, of course, still questions to be resolved, still technologies to be developed; but the basic technology to harness the ocean's power already exists. What the gentleman from Washington is proposing makes great sense.

The Acting CHAIRMAN. Does the gentleman from California claim the time in opposition?

Mr. POMBO. Yes, Mr. Chairman.

The Acting CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. POMBO. Mr. Chairman, I yield myself such time as I may consume.

While I do support clean renewable energy, obviously we all have questions about this particular technology. We just heard an impassioned plea on the part of Mr. RAHALL about the costs; and to go in and increase the cost does concern me, but I know this is something that Mr. INSLEE has researched. He cares a great deal about it, and I tend to accept his explanation even though I do have some concerns.

Mr. Chairman, I yield 30 seconds to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, in my enthusiasm for the manager's amendment, I transposed a number. I said the military mission line would protect 325 miles. It is actually 235 miles, which is still a good deal for Florida; but I just wanted to correct that I did transpose the number.

Mr. POMBO. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Chairman, I thank the gentleman for yielding me time. I rise in opposition to the amendment and in support of the amended Deep Ocean Energy Resources Act.

In America we continue to gamble our economic future through dependence on foreign sources of energy. The time to stop this is now. The most effective and sure way to secure our energy future is to utilize the fossil fuel resources we have here at home. The underlying bill will allow Virginia to choose exploration off its coast.

Virginia's deep ocean production will help reduce America's dependence on foreign oil and provide a revenue source to fund the cleanup of the Chesapeake Bay. Energy security depends first on a reliable supply through exploration of domestic oil and gas reserves while we encourage the development of alternative sources of energy.

This bill, Mr. Chairman, and I recognize the leadership and the gentleman of California in bringing this bill forward, is a necessary part of ensuring American energy security, and I am proud to support it.

Mr. INSLEE. Mr. Chairman, I yield myself such time as I may consume.

I appreciate the Chair's acceptance of the amendment. I just wanted to point out I have looked at this, as the Chair believes. I just want to point out in dealing with these new energy technologies, we are going to find some that are dry holes and do not work, but I think it is incumbent on us to look for any technology that has a reasonable chance for success. I think this one does. This is a good investment for taxpayers. I appreciate the Chair accepting the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. POMBO. Mr. Chairman, I yield myself such time as I may consume, and I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Chairman, prior to Hurricane Katrina, the hottest topic on the Mississippi gulf coast was a proposed ban on drilling 12 miles out, and that has kind of been put on hold. But anywhere from champions of industry who actually own shipyards that repair drilling rigs are in favor of this; an ex-president of Tidewater Marine was in favor of this ban. A lot of people in the oil business wanted a ban for 12 miles off of Mississippi. My question is, how would this affect that? There really is not a synopsis of the bill available yet, and I regret that, and I am sure it is an oversight, but representing the people of south Mississippi, I would like to know how does this affect that.

Mr. POMBO. Reclaiming my time, it does not impact it at all, and your State would be able to continue doing exactly what they are doing.

Mr. TAYLOR of Mississippi. So if the State wished to have a ban for 12 miles from the shoreline or 12 miles out from the barrier islands, that would be within their jurisdiction under this bill?

Mr. POMBO. Yes, sir. Reclaiming my time, it actually gives the State the first 50 miles that they do not have to do anything, and they could ban anything within that first 50 miles.

Mr. TAYLOR of Mississippi. I thank the gentleman for yielding.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise to support the Inslee amendment which we have accepted and I thank you, but I wanted to ask these two questions: one, the issue of revenue sharing perspectively does not limit itself just to States that names have been called. It does expand to the potential of revenue sharing. And secondly, the commitment that we would have to give advantage or give an opportunity for small, medium, women-owned, and minority-owned businesses in the granting of leases as we move toward conference and be able to develop expanded opportunities for jobs.

Mr. POMBO. Reclaiming my time, I will tell the gentlewoman that we have talked about her amendment and her

effort to expand the opportunities for smaller business, minority-owned and women-owned businesses. I fully support that and will continue to work with her to ensure that the revenue that is increased and the jobs that are increased because of this bill, we will give as much as we possibly can to small business and minority- and women-owned businesses because I support that goal.

In terms of revenue sharing, contrary to some of the rhetoric you have heard here today, every single State that has any kind of development off its shores will share in the revenue. It is not just limited to the four States. Although those four States would probably like that, it is not just limited to the four States. It is open to every single coastal State.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. INSLEE).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. TOM DAVIS OF VIRGINIA

The Acting CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 109–540.

Mr. TOM DAVIS of Virginia. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. TOM DAVIS of Virginia:

Add at the end the following new section:

SEC. ___. AVAILABILITY OF OCS RECEIPTS TO PROVIDE FUNDS FOR TRANSPORTATION INFRASTRUCTURE OF THE NATION'S CAPITAL.

Section 9 of the Outer Continental Shelf Lands Act (43. U.S.C. 1338) is further amended by adding at the end the following new subsection:

''(k) AVAILABILITY OF FUNDS FOR IMPROVEMENTS TO THE TRANSPORTATION INFRASTRUCTURE OF THE NATION'S CAPITAL.—Notwithstanding any other provision of this section, $150,000,000 of OCS Receipts shall be available to the Secretary of the Treasury for each of fiscal years 2007 through 2016 to make payments, subject to appropriations, to the Washington Metropolitan Area Transit Authority (as defined in the National Capital Transportation Act of 1969) (sec. 9—1111.01 et seq., D.C. Official Code) to finance in part the capital and preventive maintenance projects included in the Capital Improvement Program approved by the Board of Directors of the Washington Metropolitan Area Transit Authority.

The Acting CHAIRMAN. Pursuant to House Resolution 897, the gentleman from Virginia (Mr. TOM DAVIS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. RAHALL. Mr. Chairman, I claim the time in opposition to the amendment.

Mr. TOM DAVIS of Virginia. Mr. Chairman, I yield myself such time as I may consume.

(Mr. TOM DAVIS of Virginia asked and was given permission to revise and extend his remarks.)

Mr. TOM DAVIS of Virginia. Mr. Chairman, I commend Chairman POMBO for bringing H.R. 4761, the Deep Ocean Energy Resources Act of 2006, to the floor today. This important legislation would modernize a key aspect of our Nation's energy policy by providing for energy production on the Outer Continental Shelf of the United States.

H.R. 4761 would generate a significant amount of new revenue in the form of oil and natural gas royalties for coastal States that allow offshore drilling, as well as the Federal Government. The amendment I am offering today would authorize a portion of the funds generated by the legislation to go to supporting Washington Metropolitan Area Transit Authority. Specifically, the amendment would provide $150 million per year for 10 years to fund capital and preventative maintenance projects for Metro, without which Metro could not function effectively, would have to be matched dollar for dollar from Virginia, Maryland and the District.

Congress has long recognized the unique relationship between Metro and the Federal Government. Three times we have authorized renewed Federal commitments to this system, understanding that it is a vital Federal Government asset.

The government first committed to sharing in this responsibility for Metro in 1960 when President Eisenhower signed the National Capital Transportation Act, creating a National Capital Transportation Agency to develop a regional rail system for the Nation's capital. Since that time, Congress has periodically infused the system with Federal funding to protect its original investment and accommodate ridership growth. The government continues to pay its fair share of the costs of the capital region's transit system.

Unlike other regional transit systems in the country, Metro was designed to make sure Federal workers and contractors as well as tourists have easy access to government offices and work places.

Mr. Chairman, I reserve the balance of my time.

Mr. RAHALL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I certainly do not begrudge the gentleman from Virginia or the gentlewoman from the District of Columbia for their efforts to obtain additional funding for the transit system in this region. I have ridden it. It is a very valuable part of our infrastructure not only in our Nation's capital but in this country.

Quite honestly, I do not see any link here between OCS, oil and gas leasing, and funding a particular transit system. I have got some roadways in my State I wish I would have thought to include in this bill as well. But nevertheless, the only specific authorized use of these funds is for the Land and Water Conservation Fund, up to a total of 900 million each and every year. That is important to my State.

There is a linkage here with conservation of our land and water resources being financed with revenues obtained from the development of these resources in this bill. So if there is a linkage but here between OCS and WMATA, I see no linkage.

Second, the Washington Metropolitan Area Transit, as all mature transit systems are, is eligible for funding and it does receive funding through the Mass Transit Account of the Highway Trust Fund. There I am happy to support it as well through my position on the Transportation and Infrastructure Committee. And I know that the authority is not really scratching for dollars these days, so that is why I claimed this time in opposition.

Again, I salute Mr. DAVIS for his dedication as well as the gentlewoman, Ms. HOLMES NORTON.

Mr. Chairman, I reserve the balance of my time.

Mr. TOM DAVIS of Virginia. Mr. Chairman, I yield 1 minute to the gentlewoman from the District of Columbia.

Ms. NORTON. Chairman DAVIS has gone to wonderful creative trouble to find the funds, funds that were not being obligated to use for other purposes. This may look like a regional matter. It is a matter involving 20 million visitors who come to the District of Columbia and, frankly, have so piled on to the system that they have broken it down. Moreover, the rest of the people who use it during the weekdays are almost always Federal workers. We subsidize those Federal workers in order to get them to use this system. Watch what you wish for. They are now using it.

Now the system in which we have invested so much, we helped build it, we the Federal Government, because we knew visitors and Federal workers were chiefly involved. Because of that we have got to have a dedicated stream of funding or we do not have enough cars and we are not able to protect our investment by keeping the upkeep and that is why it is falling down.

In every respect, Members have more at stake than we do because of Federal workers and because our own constituents use this system. I thank the gentleman.

Mr. RAHALL. Mr. Chairman, I yield the balance of my time to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, I thank the gentleman very much, and I congratulate the gentleman from Virginia. He is amongst the most astute Members of Congress, and it is clear that there is a big gravy train moving through Congress this afternoon and he is one of the very smartest Members to figure out that he should attach his constituents' agenda to it. And rapid transit is a very important issue. Unfortunately, the majority decided that Mr. BOEHLERT's amendment on fuel economy standards for automobiles

was not important today. But I understand what the gentleman from Virginia is doing, and I congratulate him on his acute understanding of what this bill really is.

By the way, when I was a boy, my father was a milkman, and you looked at television to see what you can aspire to be and my favorite show was always ''Perry Mason,'' and I could never really figure out how Perry was going to get his client out of the mess. And then with about 5 minutes left to go in the show, every single week Della Street, his great assistant, would come into the back of the courtroom and say, I have new evidence.

Now, the case would always get solved and Perry would always win. So I have been charged all afternoon with making up numbers, that there will not be, as I say there is, a $600 billion transfer from 46 States down to 4 States. But now we have a Della Street-like letter from the President of the United States to the Republican leadership of the committee. Here is what the President says, ''The administration strongly opposes the revenue-sharing provisions that do not incentivize production and that would reduce Federal receipts relative to current law and have a long-term impact on the Federal deficit. The administration's preliminary estimate is that the revenue sharing provisions would reduce Federal receipts by several hundred billion dollars.''

□ 1645

So it turns out that the numbers I was quoting from the Bush administration, from its own Department of Interior, that this would lead to a $600 billion loss of revenues from 46 States going down to four States is now confirmed by President Bush's letter to us this afternoon.

So if you want to vote this way, Members of Congress, you can do it. And by the way, again I say this to Louisiana, Texas, Mississippi, Alabama, delegations: if you win this vote this afternoon, put out a press release. It is the greatest achievement of your career. It will be the greatest achievement you ever, ever have here in the House floor, moving $600 billion in one vote from 46 States to your States, a great victory.

And President Bush today is asking the Members of Congress not to do it. Now, Mr. POMBO will say to you, do not fix it now, we will fix it later. But the President is saying this is a big mess. We oppose it. Clean it up. And still we have a chance to clean it up.

Thank God we got the letter before we voted to create the mess. Now Mr. POMBO is saying, let's create the mess and we will clean it up when it gets to the Senate, which is, I think, an unnaturally great deference to a body that ordinarily does not receive that kind of respect from us.

Why should we wait for them to have the responsibility to deal with what we all now understand to be a complete mess? Again, I congratulate Mr. DAVIS, because if this is going to happen, I give you credit for understanding that getting $150 million for his district makes a lot of sense.

Mr. TOM DAVIS of Virginia. Mr. Chairman, I yield the balance of my time to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, I think Perry Mason would be very proud of Mr. DAVIS on this effort. I understand, you and I have talked about it, it is an important effort. I sympathize and am going to vote with Mr. MARKEY, but I nevertheless think that your effort is certainly some small attempt to reduce, by some little bit, the $600 billion. I thank the gentleman for his efforts.

Mr. TOM DAVIS of Virginia. I would appreciate your vote on the amendment.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. TOM DAVIS).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. MARKEY

The Acting CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 109–540.

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. MARKEY:

Strike section 2 (page 2, beginning at line 6) and all that follows through the quoted subsection (r) in section 6(4) (through page 11, line 25), and insert the following:

SEC. 2. ROYALTY SUSPENSION AUTHORITY AND IMPOSITION OF CONSERVATION OF RESOURCES FEES.

Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by adding at the end the following new subsections:

At the end of section 6(3) (page 10, line 13), strike the period after the closed quotation marks and insert ''; and''.

In section 6(4), strike the quoted subsections (s) and (t) (page 12, beginning at line 1).

At the end of section 6(4) (page 13, line 22) strike the semicolon and insert a period.

Strike section 6(5) (page 13, beginning at line 23) and all that follows through the end of the bill.

The Acting CHAIRMAN. Pursuant to House Resolution 897, the gentleman from Massachusetts (Mr. MARKEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, what my amendment will do is to correct the problem that the President has identified, amongst other things that also need correcting in the bill, while leaving intact a wonderful provision that will ensure that we correct the problem that occurred in the 1990s during the Clinton administration, which allows for oil companies to escape paying the royalties which the American people should be receiving on leases which were given out during that period of time, 1998 and 1999.

I agree with the intent of the language which is in the bill that the majority has crafted. They did a good job on that section, although with the rest of the bill I have a problem. And my amendment will help to correct that problem.

Mr. Chairman, I reserve the balance of my time.

Mr. POMBO. Mr. Chairman, I claim the time in opposition.

The Acting CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. POMBO. Mr. Chairman, I do appreciate Mr. MARKEY's kind words about at least one provision in the bill.

I do appreciate that he did not want to waste that sign, since he had his staff make up the poster and they put a lot of hard work into that. And even though it is inaccurate and really has very little to do with the bill that we are discussing, I do appreciate his effort to recycle and reuse his information, even though it is inaccurate.

For 30 years, opponents of American energy have cloaked their arguments in an environmental apocalypse. They have tried to make the argument that no matter what we do, it will destroy the environment. I remember 30-plus years ago they started talking about wind energy production.

And in my district we had one of the first windmill farms built anywhere in this country. And it produces today a sizeable amount of electricity: clean, nonpolluting electricity.

Those windmills are up for renewal, to have their permits renewed. And lo and behold, the environmental groups are filing lawsuits against renewing those permits. Because they produce energy. They do not like energy production.

And what this amendment that Mr. MARKEY brings to us does is it takes out all of the energy production. It does leave in the part about trying to fix the mistake that was made during the Clinton administration on royalties, but it takes out all of the energy production.

It is a callous disregard for the jobs, the millions of jobs, that have been lost over the last 30 years of following this kind of policy. It is a callous disregard for the men and women of this country who want a good job, who want the opportunity to feed their family on a family-wage job. It takes it away. It tells them no.

You know, one of the things that I have heard over the years is that, you know, union membership has gone down and tried to explain it away in so many different ways. And I hear people talk about it, and I think, you know, it is not about people not wanting to join the union; it is about that we exported all of their jobs. The people who used to work in the timber industry, their jobs are in Canada or Germany.

The people who used to work in the mining industry, their jobs are now in South America. The people who work in oil and gas, their jobs are in the Middle East or Canada. We have exported their jobs. And if the Markey

amendment passes, we not only do not get those jobs back, we are going to send the rest of them. Because we do not like people actually working producing energy. That is what he is telling us.

This amendment went down in committee. It was offered, and it was eloquently debated. But it went down big. And it went down big because the people on the committee who have spent the greatest amount of time working on this issue know how important it is to create jobs in this country, to create clean natural gas in this country, so that it can be the bridge to the future, so that things like Mr. INSLEE's wave machine may end up producing enough electricity so that we do not have to be dependent on foreign oil any more.

Mr. Chairman, I reserve the balance of my time.

Mr. MARKEY. Mr. Chairman, I yield 1¾ minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Chairman, I thank my colleague for yielding me time.

Mr. Chairman, I rise in strong support of the Markey amendment that would preserve the longstanding moratorium so important to coastal States. The amendment would also preserve the underlying bill's one redeeming feature, the renegotiating of the cash-cow leases now pouring billions of dollars into already stuffed oil industry coffers.

Mr. Chairman, the bill before us represents what is wrong with the Republican energy strategy. We have something like 3 percent of the world oil reserves, and yet are responsible for 25 percent of the world's demand. A report out yesterday noticed that with only 5 percent of the world's population, the United States has 30 percent of the world's automobiles, and we produce 45 percent of the world's automotive carbon dioxide emissions.

This addiction harms our environment, our economy and our national security. Even oil man George Bush says we are addicted to oil and we must confront our problem. But the Republican strategy is just to drill more. Not too much concerned about energy efficiency or conservation, no real emphasis on alternative renewable energy. This is where we need to go in the 21st century with the many new jobs it would entail in the Midwest and all around the country.

Instead, what we have before us is a bill that attempts to bribe coastal States into drilling off their shores by promising them more money, a lot more money. Even the Bush administration says the bill would drive up the Federal deficit by hundreds of billions of dollars over the next few decades.

The argument that the bill gives States control over their coast is specious at best. Control is mostly given to States that want to drill; those that do not confront numerous hurdles for temporary protection that can simply be overridden by Federal authorities.

Authority over Federal waters off our coast being moved to various State capitals is a bad idea anyway. These are Federal waters. They belong to all of us. The impacts from drilling, effects on fishing or shipping are bigger than the interest of one State. Mr. MARKEY's amendment would restore some sanity to this process. We should adopt it.

Mr. POMBO. Mr. Chairman, I yield to Mr. KIRK for a unanimous consent request.

(Mr. KIRK asked and was given permission to revise and extend his remarks.)

Mr. KIRK. Mr. Chairman, I thank the gentleman for yielding. I would like to compliment the manager's amendment on reducing the fiscal impact of this bill.

Mr. Chairman, I rise in opposition to this legislation—a bill the President has said "would reduce Federal receipts by several hundred billion dollars over the next 60 years." As the Statement of Administration Policy put it, the administration strongly opposed key provisions "because of their long-term consequences on the Federal deficit."

This bill establishes new entitlement programs—mandatory spending mechanisms that already drive up our deficit. It establishes costly oil shale leases and imposes other expensive charges the Federal budget cannot afford.

I am also worried that the bill sets up the oil and gas industry above all other Federal interests. Under section 16, all Federal permitting is prohibited, despite my other marine or naval concerns. Many of these rigs could be put in sensitive waters with national defense implications. Under this bill, the government can consider no other issue—even for the defense of this Nation.

Section 17 allows lessees to request the Federal Government to repurchase leases.

This is an irresponsible provision that allows a transfer of risk from an energy company to the taxpayer. This is ironic because while the Federal Government is in the red, most energy companies are earnings record profits.

Mr. Chairman, we can have an honest debate about whether we should open the Outer Continental Shelf to energy development but there should be little debate on granting new assistance at the expense of the taxpayer to energy companies who are some of the most profitable entities on earth.

This bill, as it has been written, was a great threat to the Treasury. I want to compliment the Chairman and Ranking Minority Member for the manager's amendment they crafted that dramatically reduces the cost of this bill. This amendment heeds many of the fiscal concerns of the President and reduces that budgetary impact of the proposed legislation. I would now urge the authors to further listen to the President's fiscal guidance.

Mr. MARKEY. Mr. Chairman, I yield myself the remaining minute.

What the Markey amendment will do is to remove the provision which takes $600 billion from 46 States and gives it to four States, where oil and gas companies can already drill. If my amendment is adopted, according to CBO, my amendment will then generate $13 billion in new revenues over the next 10 years.

So your choice on the Markey amendment is lose $600 billion or gain $13 billion. Ladies and gentlemen, that is what this thing is all about. It is all about the money. Because 80 percent of the oil and gas that can be drilled for off our coast is already available. They might have a lot of additional coastline in America, but the geological service and the oil companies have said 80 percent of it is right here. By the way, it is already legal to go there.

And we, ED MARKEY, liberal from Massachusetts, we want you to go there. I want you to drill there. Get the oil that is down there in the gulf. But the revenues should go to the Federal Government or else, as George Bush has just said to us in a letter this afternoon, we will lose hundreds of billions of dollars to the Federal Government and give it to only four States without any real understanding or debate here on the House floor.

Vote for the Markey amendment. Let's generate $13 billion worth of revenue for our country rather than lose $600 billion.

Mr. POMBO. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, there is a great deal of misunderstanding about what this bill is about. And there is one thing that Mr. MARKEY said that was actually accurate, and that is that it is about the money. We just saw recently in Canada, they announced they needed 100,000 new oil field workers, 100,000. And they are taking them from us. They are taking our jobs from us to produce our energy.

We also heard one of my colleagues from California, and I am just amazed by this, right now the State of California controls 3 miles off its coast. This bill gives our State 100 miles. We would control 100 miles off our coast. Not 3, 100.

If you really do oppose drilling off the coast of California or Florida or wherever your State may be, you have to support the bill and vote against the short-sighted, mean, callous Markey amendment.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. MARKEY).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. MARKEY. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Massachusetts will be postponed.

□ 1700

AMENDMENT NO. 5 OFFERED BY MR. BILIRAKIS

The Acting CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 109–540.

Mr. BILIRAKIS. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. BILIRAKIS:

In section 9(2), in the quoted subsection (g)(1)(A), strike ''50 miles'' each place it appears (page 38, lines 9 and 19) and insert ''125 miles'' .

In section 9(2), in the quoted subsection (g)(1), strike subparagraph (B) (page 39, beginning at line 6).

Page 40, lines 17 and 18, strike ''100'' each place it appears and insert ''125''.

In section 9(2), strike the quoted subsection (h) (page 46, beginning at line 7).

In section 9(2), in the quoted subsection (i) (page 48, beginning at line 7)—

(1) strike ''or (h), or both,'';

(2) strike ''(1)''; and

(3) strike '', and (2)'' and all that follows through the end of the sentence and insert a period.

The Acting CHAIRMAN. Pursuant to House Resolution 897, the gentleman from Florida (Mr. BILIRAKIS) and a Member opposed each will control 5 minutes.

Mr. RAHALL. Mr. Chairman, I claim the time in opposition.

The Acting CHAIRMAN. The Chair recognizes the gentleman from Florida.

Mr. BILIRAKIS. Mr. Chairman, I yield myself such time as I may consume.

I am offering this amendment with several of my Florida colleagues: DEBBIE WASSERMAN-SCHULTZ, BILL YOUNG, GINNY BROWN-WAITE, KATHERINE HARRIS, ROBERT WEXLER, MARIO DIAZ-BALART, and CLIFF STEARNS.

First of all, Mr. Chairman, I am told that this amendment is slated for defeat, and that is really unfortunate because it greatly improves the basic bill in that it provides solid, true statutory protections off of Florida and all coastal State shores. This amendment does not shred the existing 25-year drilling moratorium, as claimed by some vocal groups. In fact, that moratorium ends in 2007 and 2012. The moratorium is by executive order. It can be revoked at any time, even before July 1, 2007, and before 2012.

This amendment codifies in statute the protection up to 125 miles. The moratorium does not now cover the Florida Keys nor most of the Florida Atlantic. The amendment gives protection to all of the Florida coastlines and to other coastal States permanently, not subject to the whims of any executive.

This form of government is a republic, meaning that we legislators represent our constituents' interests, a government of, by and for the people. We ask ourselves, who is better equipped to better decide how close offshore drilling should come to a State's coast, the U.S. Congress or the States themselves?

I say that the people of coastal States should make that decision. If they want leasing and drilling, they can opt in. If they do not, then no action is required.

The bottom line, Mr. Chairman, of my amendment is to allow States to determine whether or not drilling occurs closest to their coastlines.

Mr. Chairman, I reserve the balance of my time.

Mr. RAHALL. Mr. Chairman, I yield myself such time as I may consume.

By extending ''no leasing'' buffer zones to 125 miles away from the State boundaries, this amendment is I must admit an improvement in the current bill from the perspective of its Florida sponsors, and I certainly understand that and commend them for the effort here.

However, as is in the underlying bill, the amendment gives effective control over national resources to the States.

The OCS lands and oil and gas resources belong to all the people of America. The name of every West Virginian, the name of other citizens of our country are on the deed to these properties.

So these oil and gas resources belong to all the American people and not just to those who reside in the adjacent States; and, as such, Congress should retain the powers to make the decisions regarding those national resources on those grounds. It is for that reason that I object to the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. BILIRAKIS. Mr. Chairman, I yield myself such time as I may consume.

I would suggest to the gentleman, with all due respect, that the mountains of West Virginia, those beautiful mountains, belong to all the people, too, but I would expect the people of West Virginia could make the best decision regarding those mountains.

Mr. RAHALL. If the gentleman would yield, in response to the gentleman, that was not an accurate statement. The mountains of West Virginia do not belong to all the people of this land.

Mr. BILIRAKIS. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ.)

Ms. WASSERMAN SCHULTZ. Mr. Chairman, I thank the gentleman from Florida.

There are times in life when we must make difficult choices. The Bilirakis, Wasserman Schultz and others amendment will add 125 miles of protection and require the legislature to affirmatively vote to allow drilling closer than that distance. It adds protection to the Outer Continental Shelf coastline that we do not now enjoy.

The choice in front of us on this amendment is do we squeeze our eyes shut tight, cross our fingers and pray that we will never have drilling off of our coastline or do we act now and ensure that we do not? I believe in controlling our own destiny. I want to know that there is 125 miles of protection that we do not now have off the eastern coastline.

For those Members that are opposed to this bill, as I am, you can vote in good conscience for this amendment and ensure a significant amount of protection in the event that the bill passes. If this amendment does not pass and the bill does, then we are left with the possibility of having oil rigs within 50 miles of our coastline. That is an unacceptable option.

We should act now to ensure that we have at least 125 miles of protection off the eastern coast in the Outer Continental Shelf.

I urge the adoption of the Bilirakis-Wasserman Schultz amendment.

There are times in life when we must make choices, some of them are easy and some of them are not. I firmly believe that as Members of Congress we have an obligation to protect people and the environment who have only our votes standing between them and devastating consequences.

I am an opponent of oil drilling. I have never voted for drilling in my 14 years as a public servant. But as public servants we must use both our heart and our head when deciding what is best at any given moment in time. The underlying legislation would be harmful to our environment. Drilling 50 miles off our coast, which is possible under the Pombo legislation is irresponsible. We should be investing in alternative energy resources and truly breaking ourselves of the addiction to oil referenced in President Bush's State of the Union speech. But, we won't have that chance today and sadly, unless the tide turns in this body, I fear that we won't ever have that chance.

I represent the cities of Ft. Lauderdale, Hollywood and Miami Beach, from the ocean to the Everglades. Florida's coastline must be protected. Our economy depends on our number one industry—tourism, which brings in 86 million tourists annually, supports one million jobs and generates $56 billion. There is a lot at stake for Florida.

That is why there are times in life when we must make difficult choices. The Bilirakis, Wasserman Schultz and others amendment will add 125 miles of protection and require the legislature to affirmatively vote to allow drilling closer than that distance. It adds protection to the Outer Continental Shelf coastline that we do not now enjoy. The choice in front of us on this amendment is do we squeeze our eyes shut tight, cross our fingers and pray that we'll never have drilling off of our coastline or do we act now and ensure that we don't? I believe in controlling our own destiny. I want to know that there is 125 miles of protection that we do not now have off the eastern coastline. For those Members that are opposed to this bill, as I am, you can vote in good conscience for this amendment and ensure a significant amount of protection in the event that the bill passes. If this amendment does not pass and the bill does, then we are left with the possibility of having oil rigs within 50 miles of our coastline. That is an unacceptable option. We should act now to ensure at least 125 miles of protection off the eastern coastline.

At the end of the day, we are representatives of our communities and our States, but we are ultimately United States Representatives, charged with thinking about our whole country. In that role, we have an obligation to ensure that the legislative products we send out of this institution, with or without our votes contain the best content we can develop. That requires the courage to compromise. Henry Clay said it best,

''All legislation . . . is founded upon the principle of mutual concession—Let him who elevates himself above humanity, above its

weaknesses, its infirmities, its wants, its necessities, say, if he pleases, ''I never will compromise''; but let no one who is not above the frailties of our common nature disdain compromise.''

The coastline of the Unites States of America must have the maximum protection we can attain for her. The Bilirakis-Wasserman Schultz amendment does that. Is it perfection? No, but if we live for perfection, we risk failure. The failure to protect our environment as much as we can is not an option. This amendment provides that protection for in this legislation. Without it, our environment faces grave danger.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. The Chair would ask Members not to step in front of someone who is speaking.

Mr. RAHALL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman for yielding.

I rise in opposition to the Bilirakis amendment. He is a good friend of mine. I do not agree with him on this issue.

I represent about 75 miles of coastline. We had no spills from Katrina and Rita. You cannot see an oil derrick beyond about 40 miles, and I think the language in the bill the chairman has put in there is very good. You have got 50 miles of protection, and then the State, if it wants to allow drilling 50 to 100 miles, it can.

Let us face it, gas is at $3 a gallon. Renewable energy resources are not there yet. I think we need to explore that.

Jeepers, I drive a hybrid vehicle. I drove up here just now in a hybrid vehicle. But we need fuel, and I think this is a very, very good bill, and I think the Bilirakis amendment goes too far. I would encourage all my colleagues, as somebody from Florida, vote ''no'' on the Bilirakis amendment.

Mr. BILIRAKIS. Mr. Chairman, I yield 45 seconds to the gentleman from Florida (Mr. BOYD).

Mr. BOYD. Mr. Chairman, I thank the gentleman for yielding.

There are some provisions in the underlying Pombo bill that are very onerous, and one of them in particular is the opt-in/opt-out language, particularly opt-out, which most of us that have served in the State legislature understand that there are a thousand ways to kill legislation which you would have to opt out.

The opt-in language is much better. So if you are opposed to the legislation, I would strongly request that you support the Bilirakis amendment which will fix the onerous language that is in the Pombo bill which requires an opt-out by the State legislature.

Mr. RAHALL. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. PETERSON), one of the cosponsors of the original underlying bill.

Mr. PETERSON of Pennsylvania. Mr. Chairman, I thank the gentleman.

This is a very important amendment that should not pass. We have worked very hard. There has been a lot of compromise in this bill. We have given a lot of shoreline protection, 50 miles locked up, total State control. They have to opt out. The next 50-miles is rich with gas up and down our coast, and this country needs natural gas to fuel the industries that employ the blue collar workers of this country.

If we wait for Houses and Senates and governors to agree, I served in one for 20 years. It takes a long time. We cannot add years to the process. We need to open up our coastlines. We need to allow the States to have to opt out.

There will be a debate in every coastline State, and I am confident that in many States the vote will be to open up for natural gas specifically because of the need and because of the volume, that it is there to preserve the jobs in this country and keep this country competitive.

Mr. BILIRAKIS. Mr. Chairman, I yield 30 seconds to the gentleman from Florida (Mr. WEXLER).

Mr. WEXLER. Mr. Chairman, I rise to support this vital amendment that would extend the prohibition on offshore drilling from 100 to 125 miles off the coast. The amendment would also require States to proactively opt in, as has been described, to drilling, giving States that do not want to drill the ability to do so clearly.

This amendment is vital to coastal States as it provides further protection from drilling, and I would urge everyone to support it.

Mr. RAHALL. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, I thank the gentleman.

Again, I want to congratulate the gentleman from West Virginia for his leadership on this issue and on the bill this afternoon, and I want to congratulate the Florida delegation for their success in improving a bad bill but not changing the fundamental nature of the bill. It is a bad bill, but it is an improvement, and I give them credit for that, but it should not be in any way interpreted as a reason to vote for the bill.

Again, jobs come from energy. The energy comes from leases that have already been given over to oil companies, 80 percent of which have never been drilled on, but it has already happened. The Bush administration says that the area already open is where 80 percent of the oil and gas off our shores is.

The big issue that we are all going to have to vote on final passage is whether or not we are going to allow a transfer of $600 billion from 46 States that now receive that $600 billion as a promise over the next several decades, or we are going to allow the oil companies to give that money to four States, even though the drilling is on Federal land, even though those leases have already been obtained by the oil companies but they have been waiting for the price of oil to go to $70 a barrel, which is where it is now. We do not have to give them any additional incentives.

This bill makes no sense whatsoever. It runs totally contrary to the economics of energy, and President Bush has now sent us a letter and asked us to not allow this $600 billion to go down here but to keep it up here in the Federal budget that can be used to keep our budget balanced.

Mr. BILIRAKIS. Mr. Chairman, I yield 25 seconds to the gentlewoman from Florida (Ms. GINNY BROWN-WAITE).

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I thank the gentleman.

Mr. Chairman, this is a very important amendment that is going to protect the coastlines not just in Florida. This is not just a Florida issue, but it is going to protect the coastlines by another 25 miles.

The 25-miles can make a real difference to people who live near the coastline. The existing moratorium is limited in scope and can be done away with in the Florida area.

This is a bipartisan amendment. We heard from two Members of the other side who also support it, and I urge support for the amendment.

Mr. BILIRAKIS. Mr. Chairman, I yield to the gentleman from Florida (Mr. STEARNS) for the purposes of a unanimous consent request.

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Chairman, I thank my distinguished colleague for all his leadership on this issue, going back, way back, and I rise in strong support of this amendment. I thank my friend for his leadership.

I rise today in strong support of this amendment and I thank my friend, Mr. BILIRAKIS and my other Florida colleagues for offering it. This amendment ensures that no oil or natural gas leasing occurs within 125 miles of a State's coastline unless the State requests leasing. This amendment provides the States with real authority to protect their coastlines and I urge its adoption.

We can all agree that the United States is far too reliant on imported sources of energy. Currently we import 60 percent of our oil demand, and by 2025 that number will increase to nearly 75 percent. In addition, the rising price of natural gas is causing serious problems to many different sectors of our economy.

This dependence on imported sources of energy is a threat to our economy and to our national security. In addition to expanding alternative fuels and employing clean fuel technologies, we need to produce more oil and natural gas domestically.

The United States encompass a wide diversity featuring deserts, tropical forests, and arctic tundra. The States vary, with some dependent on agriculture and others on manufacturing. States such as Alaska rely on developing its natural resources, and I support the will of the Alaskan people to open their land to oil and gas development.

However, my State of Florida has a different reliance on its natural resources, maintaining

our pristine beaches and waters that could be damaged by offshore drilling. If Alabama or Louisiana wants to permit leasing off its shores, then such leasing should be allowed. But, if my State of Florida has concerns about the effect leasing would have on its fragile ecosystem and its tourism economy, then Florida should be have the authority to ban leasing off its shores.

The underlying bill opens areas to oil and gas leasing that are currently under moratorium while protecting the rights of States to control activities off their shores. As written, H.R. 4761 gives States 1 year from the date of enactment to decide whether to permit or deny natural gas leasing in the area between 50 and 100 miles of their coastlines. If a state does not act, however, leasing can occur. Thus, States have to act in order to prevent leasing between 50 and 100 miles.

This amendment seeks to increase the power States would have in deciding whether or not to allow leasing off their shores. It would prohibit oil and gas leasing within 125 miles of a State's coast unless the Governor and State legislature agree to permit leasing in this area. Instead of having the State take action to prevent leasing, as the DOER Act would require, leasing could only occur within 125 miles of the coast if the State explicitly allows it.

In closing, Mr. Chairman, in a nation as diverse and with as many competing interests as the United States, it is important to return greater authority to the States so they can control activities 125 miles offshore. This amendment does that and I urge its adoption.

Mr. BILIRAKIS. Mr. Chairman, I yield the remaining 20 seconds to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, I have always opposed offshore oil drilling. This amendment extends the protection an additional 25 miles. It is a good amendment. Please support it.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. BILIRAKIS).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. BILIRAKIS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Florida will be postponed.

Mr. POMBO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BONNER) having assumed the chair, Mr. LAHOOD, Acting Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4761) to provide for exploration, development, and production activities for mineral resources on the Outer Continental Shelf, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 895 and to insert extraneous material thereon.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Ohio?

There was no objection.

SUPPORTING INTELLIGENCE AND LAW ENFORCEMENT PROGRAMS TO TRACK TERRORISTS AND TERRORIST FINANCES

Mr. OXLEY. Mr. Speaker, pursuant to House Resolution 896, I call up the resolution (H. Res. 895) supporting intelligence and law enforcement programs to track terrorists and terrorist finances conducted consistent with Federal law and with appropriate Congressional consultation and specifically condemning the disclosure and publication of classified information that impairs the international fight against terrorism and needlessly exposes Americans to the threat of further terror attacks by revealing a crucial method by which terrorists are traced through their finances, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 895

Whereas the United States is currently engaged in a global war on terrorism to prevent future attacks against American civilian and military interests at home and abroad;

Whereas intelligence programs are essential to gathering critical information necessary for identifying, disrupting, and capturing terrorists before they carry out further attacks;

Whereas there is a national security imperative for maintaining the secrecy of our intelligence capabilities from our potential enemies;

Whereas effective intelligence depends on cooperation with foreign governments and individuals who trust the United States to protect their confidences;

Whereas the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction found that ''the scope of damage done to our collection capabilities from media disclosures of classified information is well documented. Hundreds of serious press leaks have significantly impaired U.S. capabilities against our hardest targets'';

Whereas the unauthorized disclosure of sensitive intelligence information inflicts significant damage to United States activities in the global war on terrorism by assisting terrorists in developing countermeasures to evade United States intelligence capabilities, costs the United States taxpayers hundreds of millions of dollars in lost capabilities, and ultimately endangers American lives;

Whereas the 1998 disclosure of classified information regarding efforts to monitor the communications of Usama bin Laden eliminated a valuable source of intelligence information on al Qaeda's activities, an example of the significant damage caused by unauthorized disclosures;

Whereas following the September 11, 2001 terrorist attacks, Congress passed the USA PATRIOT ACT, which included anti-terrorist financing provisions that bolster Federal Government and law enforcement capabilities to find and disrupt the financiers of terrorist organizations;

Whereas following the September 11, 2001 terrorist attacks, the President, with the support of Congress, directed the Federal Government to use all appropriate measures to identify, track, and pursue not only those persons who commit terrorist acts here and abroad, but also those who provide financial or other support for terrorist activity;

Whereas consistent with this directive, the United States Government initiated a lawfully classified Terrorist Finance Tracking Program and the Secretary of the Treasury issued lawful subpoenas to gather information on suspected international terrorists through bank transaction information;

Whereas under the Terrorist Finance Tracking Program, the United States Government only reviews information as part of specific terrorism investigations and based on intelligence that leads to targeted searches, such as searches of a specific individual or entity;

Whereas the Terrorist Finance Tracking Program is firmly rooted in sound legal authority based on Executive Orders and statutory mandates, including the International Emergency Economic Powers Act of 1977 and the United Nations Participation Act;

Whereas the Terrorist Finance Tracking Program consists of the appropriate and limited use of transaction information while maintaining respect for individual privacy;

Whereas the Terrorist Finance Tracking Program has rigorous safeguards and protocols to protect privacy in that record searches must identify a terrorism-related basis, and regular, independent audits of the program have confirmed that the United States Government has consistently observed the established safeguards and protocols;

Whereas appropriate Members of Congress, including the members of the Committees on Intelligence of the Senate and House of Representatives, have been briefed on the Terrorist Finance Tracking Program and have conducted oversight of the Program;

Whereas the Terrorist Finance Tracking Program has successfully provided vital intelligence in support of the global war on terrorism, including information leading to the capture of Hambali, the Operations Chief of Jemaah Islamiyah, an al Qaeda affiliate, who masterminded the 2002 nightclub bombing in Indonesia that killed over 200 people;

Whereas the Terrorist Finance Tracking Program has helped authorities uncover terrorist financiers worldwide and find Uzair Paracha, an al Qaeda money launderer operating in the United States;

Whereas Congress has authorized the Secretary of the Treasury to explore the implementation of systems to review all cross-border wire transactions;

Whereas the bipartisan 9/11 Commission recommended that ''Vigorous efforts to track terrorist financing must remain front and center in U.S. counterterrorism efforts'';

Whereas persons in positions of trust and responsibility granted access to highly sensitive intelligence programs violated their solemn obligations not to disclose classified information and made unauthorized disclosures regarding the program;

Whereas at some point before June 23, 2006, classified information regarding the Terrorist Finance Tracking Program was illegally and improperly disclosed to members of the news media;