

CONGRESSIONAL REPLACEMENT OF PRESIDENT OBAMA'S  
ENERGY-RESTRICTING AND JOB-LIMITING OFFSHORE  
DRILLING PLAN

\_\_\_\_\_  
JULY 20, 2012.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

\_\_\_\_\_

Mr. HASTINGS of Washington, from the Committee on Natural  
Resources, submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 6082]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 6082) to officially replace, within the 60-day Congressional review period under the Outer Continental Shelf Lands Act, President Obama's Proposed Final Outer Continental Shelf Oil & Gas Leasing Program (2012–2017) with a congressional plan that will conduct additional oil and natural gas lease sales to promote offshore energy development, job creation, and increased domestic energy production to ensure a more secure energy future in the United States, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Congressional Replacement of President Obama’s Energy-Restricting and Job-Limiting Offshore Drilling Plan”.

**SEC. 2. DEFINITIONS.**

In this Act:

(1) OCS PLANNING AREA.—Any reference to an “OCS Planning Area” means such Outer Continental Shelf Planning Area as specified by the Department of the Interior as of January 1, 2012.

(2) PROPOSED OIL AND GAS LEASING PROGRAM (2012–2017).—The term “Proposed Final Outer Continental Shelf Oil & Gas Leasing Program (2012–2017)” means such plan as transmitted to the Speaker of the House and President of the Senate on June 28, 2012.

**SEC. 3. REQUIREMENT TO IMPLEMENT PROPOSED OIL AND GAS LEASING PROGRAM (2012–2017).**

(a) IN GENERAL.—Except as otherwise provided in this Act, the Secretary of the Interior shall implement the Proposed Final Outer Continental Shelf Oil & Gas Leasing Program (2012–2017) in accordance with the schedule for conducting oil and gas lease sales set forth in such proposed program, the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), and otherwise applicable law.

(b) MODIFIED AND ADDITIONAL LEASE SALES.—Notwithstanding the schedule of lease sales in the Proposed Final Outer Continental Shelf Oil & Gas Leasing Program (2012–2017), the Secretary shall conduct under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) oil and gas lease sales in OCS Planning Areas as specified in the following table, in the year specified in the table for each lease sale:

Lease Sale No.	OCS Planning Area	Year
229	Western Gulf of Mexico .....	2012
220	Mid-Atlantic .....	2013
225	Eastern Gulf of Mexico .....	2013
227	Central Gulf of Mexico .....	2013
249	Southern California (existing infrastructure sale) .....	2013
233	Western Gulf of Mexico .....	2013
244	Cook Inlet .....	2013
212	Chukchi Sea .....	2013
228	Southern California .....	2014
230	Mid-Atlantic .....	2014
231	Central Gulf of Mexico .....	2014
238	Western Gulf of Mexico .....	2014
242	Beaufort Sea .....	2014
221	Chukchi Sea .....	2014
245	Mid-Atlantic .....	2015
232	North Atlantic .....	2015
234	Eastern Gulf of Mexico .....	2015
235	Central Gulf of Mexico .....	2015
246	Western Gulf of Mexico .....	2015
237	Chukchi Sea .....	2016
239	North Aleutian Basin .....	2016
248	Western Gulf of Mexico .....	2016
241	Central Gulf of Mexico .....	2016
226	Eastern Gulf of Mexico .....	2016
217	Beaufort Sea .....	2016
243	Southern California .....	2017
250	Mid-Atlantic .....	2017
247	Central Gulf of Mexico .....	2017
255	South Atlantic-South Carolina ..	2015

(c) LEASE SALES DESCRIBED.—For purposes of subsection (b)—

(1) lease sale numbers 229, 227, 233, 244, 225, 231, 238, 235, 242, 246, 226, 241, 237, 248, and 247 are such sales proposed in, and shall be conducted in accordance with, the Proposed Final Outer Continental Shelf Oil & Gas Leasing Program (2012–2017), except each such lease sale shall be conducted in the year specified for such sale in the table in subsection (b);

(2) lease sale numbers 220, 212, 228, 230, 221, 245, 232, 234, 239, 217, and 243 are such sales proposed in, and shall be conducted in accordance with, the Draft Proposed Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2010–2015 as published in Federal Register on January 21, 2009 (74 Fed. Reg. 12), except each such lease sale shall be conducted in the year specified for such sale in the table in subsection (b); and

(3) lease sale numbers 249 and 250 shall be conducted—

(A) for lease tracts in the Southern California OCS Planning Area and Mid-Atlantic OCS Planning Area, respectively, as determined by and at the discretion of the Secretary, subject to subparagraph (C);

- (B) in the year specified for each such lease sale in the table in subsection (b); and
- (C) in accordance with the other provisions of this Act.

**SEC. 4. SOUTHERN CALIFORNIA EXISTING INFRASTRUCTURE LEASE SALE.**

(a) **IN GENERAL.**—In lease sale 249 under section 3, the Secretary shall offer for sale leases of tracts in the Santa Maria and Santa Barbara/Ventura Basins of the Southern California OCS Planning Area as soon as practicable, but not later than December 31, 2013.

(b) **USE OF EXISTING STRUCTURES OR ONSHORE-BASED DRILLING.**—The Secretary of the Interior shall include in leases offered for sale under lease sale 249 such terms and conditions as are necessary to require that development and production may occur only from offshore infrastructure in existence on the date of the enactment of this Act or from onshore-based drilling.

**SEC. 5. NATIONAL DEFENSE.**

(a) **NATIONAL DEFENSE AREAS.**—This Act shall in no way affect the existing authority of the Secretary of Defense, with the approval of the President, to designate national defense areas on the outer Continental Shelf pursuant to section 12(d) of the Outer Continental Shelf Lands Act (43 U.S.C. 1341(d)).

(b) **PROHIBITION ON CONFLICTS WITH MILITARY OPERATIONS.**—No person may engage in any exploration, development, or production of oil or natural gas on the Outer Continental Shelf under a lease issued under this Act that would conflict with any military operation, as determined in accordance with the Memorandum of Agreement between the Department of Defense and the Department of the Interior on Mutual Concerns on the Outer Continental Shelf signed July 20, 1983, and any revision or replacement for that agreement that is agreed to by the Secretary of Defense and the Secretary of the Interior after that date but before the date of issuance of the lease under which such exploration, development, or production is conducted.

**SEC. 6. ENVIRONMENTAL IMPACT STATEMENT REQUIREMENT.**

(a) **IN GENERAL.**—For the purposes of this Act and in order to conduct lease sales in accordance with the lease sale schedule established by this Act, the Secretary of the Interior shall prepare a multisale environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) for all lease sales required under this Act that are not included in the Proposed Final Outer Continental Shelf Oil & Gas Leasing Program (2012–2017).

(b) **ACTIONS TO BE CONSIDERED.**—Notwithstanding section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332), in such statement—

- (1) the Secretary is not required to identify nonleasing alternative courses of action or to analyze the environmental effects of such alternative courses of action; and
- (2) the Secretary shall only—
  - (A) identify a preferred action for leasing and not more than one alternative leasing proposal; and
  - (B) analyze the environmental effects and potential mitigation measures for such preferred action and such alternative leasing proposal.

**SEC. 7. EASTERN GULF OF MEXICO NOT INCLUDED.**

Nothing in this Act affects restrictions on oil and gas leasing under the Gulf of Mexico Energy Security Act of 2006 (title I of division C of Public Law 109–432; 43 U.S.C. 1331 note).

**SEC. 8. LEASE SALE OFF THE COAST OF SOUTH CAROLINA.**

In determining the areas off the coast of South Carolina to be made available for leasing under this Act, the Secretary of the Interior shall—

- (1) consult with the Governor and legislature of the State of South Carolina; and
- (2) focus on areas considered to have the most geologically promising energy resources.

**PURPOSE OF THE BILL**

The purpose of H.R. 6082, as ordered reported, is to officially replace, within the 60-day Congressional review period under the Outer Continental Shelf Lands Act, President Obama’s Proposed Final Outer Continental Shelf Oil & Gas Leasing Program (2012–2017) with a congressional plan that will conduct additional oil and natural gas lease sales to promote offshore energy development, job

creation, and increased domestic energy production to ensure a more secure energy future in the United States.

#### BACKGROUND AND NEED FOR LEGISLATION

Under the Outer Continental Shelf Lands Act (OCSLA), every five years the Secretary of the Interior is required to prepare, revise and maintain an oil and natural gas leasing plan for developing the Nation's resources on the Outer Continental Shelf (OCS). The plan must consist of a schedule of proposed lease sales indicating size, timing and location of the leasing activity—all of which is supposed to “best meet national energy needs for the five-year period following its approval or reapproval.”

In 2008, as a result of escalating oil and natural gas prices, President George W. Bush and the Congress, in a bipartisan fashion, overturned the two decade-long moratoria on new offshore drilling on most of the OCS. Prompted by the availability of these broad new swaths of OCS acreage that were newly made available for leasing, the Department of the Interior moved in August of 2008 to prepare a new five-year OCS plan for the 2010–2015 period. This proposed plan was published on January 16, 2009. That plan opened the Atlantic OCS planning area, very small areas off the coast of California with known resources, a small area in Alaska, the Western and Central Gulf of Mexico, and an area in the Eastern Gulf of Mexico—12 areas in total (4 areas off Alaska, 3 areas off the Atlantic coast, 2 areas off the Pacific coast, and 3 areas in the Gulf of Mexico).

However, upon assuming office, Secretary of the Interior Ken Salazar slowed the new Draft Proposed Plan by extending the comment period for six months. Furthermore, after the Deepwater Horizon event on April 20, 2010, the Department of the Interior officially announced that the plan would be changed from the 2010–2015 time period to 2012–2017.

In November, 2011, Secretary Salazar introduced a Draft Proposed Five-Year Plan for 2012–2017. The Obama Administration boasts that the plan “makes available more than 75 percent of undiscovered technically recoverable oil and gas resources (UTRR) estimated in federal offshore areas.” By focusing on unknown or outdated estimates of UTRR rather than focusing on opening new areas, the Administration obfuscated the fact that no new areas are opened up to new oil and gas leasing under its proposed plan. This draft plan was a marked departure from the earlier action to open up vast new areas that were no longer under lock and key due to the moratoria.

On June 28, 2012, the Obama Administration presented the Congress with the Proposed Final Outer Continental Shelf Oil & Gas Leasing Program for 2012–2017. Its final plan included 15 lease sales to be conducted over the next five years in the Gulf of Mexico and limited areas off the coast of Alaska. The lease sale schedule was nearly identical to their draft plan presented in November 2011, with the exception of delaying two lease sales in the Arctic—Lease Sale 244 in Cook Inlet and Lease Sale 242 in the Beaufort Sea—to 2016 and 2017, respectively.

Of importance is that Section 18 of the OCSLA specifically requires that the plan be presented to Congress before it is considered approved: “At least sixty days prior to approving a proposed

leasing program, the Secretary shall submit it to the President and the Congress, together with any comments received.” The past several five-year plans have all been presented to Congress with enough lead time so that the plan would be approved by July 1 so as to be in place prior to the expiration of the preceding plan. For instance, the 2007–2012 five-year plan was approved on July 1, 2007. However, the Obama Administration’s failure to produce the 2012–2017 five-year program by May 1, 2012, ensured that its plan would not be considered approved under current law until after the expiration of the 2007–2012 on June 30, 2012. This means that for the first time in the history of the program, the United States is operating without an Outer Continental Shelf plan in place.

Because the proposed final plan presented to the Congress by the Administration this June failed to include any new leasing areas, effectively reinstating a moratorium for the next half decade on roughly 85% of the Nation’s 1.71 billion acres of Outer Continental Shelf lands, the Committee determined legislative action was necessary. H.R. 6082 replaces the President’s proposed final plan with a leasing plan that incorporates all of the proposed 15 lease sales on an accelerated schedule, and adds an additional 14 lease sales in new areas of the Nation’s Outer Continental Shelf, including in the Atlantic and the Pacific. The robust lease sale schedule included in H.R. 6082 is a legislative assertion of the importance of offshore energy production in the United States to pave a path towards energy independence as well as increased economic activity and job creation on our shores.

*Numerous Oversight Hearings conducted on five year program*

Both the Subcommittee on Energy and Mineral Resources as well as the full Committee on Natural Resources have conducted a total of seven oversight or legislative hearings and markups, reviewing and analyzing the proposals in the President’s plan and proposals for harnessing more of America’s offshore resources. A list of these hearings includes:

- April 6, 2011—Subcommittee on Energy and Mineral Resources Legislative Hearing on H.R. 1229, H.R. 1230, and H.R. 1231;
- April 13, 2011—Full Committee Markup of H.R. 1229, H.R. 1230, and H.R. 1231;
- November 16, 2011—Full Committee Oversight Hearing on “The Future of U.S. Oil and Natural Gas Development on Federal Lands and Waters” with Secretary of the Interior Ken Salazar;
- November 18, 2011—Subcommittee on Energy and Mineral Resources Legislative Hearing on H.R. 3410, H.R. 3407, and H.R. 3409;
- February 1, 2012—Full Committee Markup of H.R. 3407, H.R. 3408, and H.R. 3410;
- March 8, 2012—Subcommittee on Energy and Mineral Resources Oversight Hearing on “Effect of the President’s FY 2013 Budget and Legislative Proposals for the Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE) on Private Sector Job Creation, Domestic Energy Production, Safety, and Deficit Reduction”; and

- May 9, 2012—Full Committee Oversight Hearing on “Evaluating President Obama’s Offshore Drilling Plan and Impacts on Our Future.”

*Fewest submitted lease sales in history of five year program*

On July 16, 2012, the nonpartisan Congressional Research Service (CRS) issued a historical report on the five-year leasing program that included a table depicting the details of each five year program going back to the first program in 1980. The table (included below) clearly confirmed that the 2012–2017 lease sale plan put forward by the Obama Administration contains the lowest number of lease sales in the history of the program.

OCSLA SECTION 18 SUBMISSIONS TO CONGRESS 1980 THROUGH 2012

Years	Administration	Congress	# of Sales Listed	# of Sales Held	Acreage (millions)
1980–1982 <sup>1</sup>	Carter	96th	36	12	4.1
1982–1987	Reagan	97th	40	23	19.4
1987–1992	Reagan	100th	24	17	24.7
1992–1997	George H.W. Bush	102nd	18	12	26.8
1997–2002	Clinton	105th	16	12	18.8
2002–2007	George W. Bush	107th	20	15	24.3
2007–2012	George W. Bush	110th	21 <sup>2</sup>	11	20.5 <sup>3</sup>
2012–2017	Obama	112th	15	NA	NA

<sup>1</sup>This program was originally referred to as the Comprehensive Program 1980–1985. It was later renamed the Comprehensive Program 1980–1982 due mainly to judicial activity. *California v. Watt*, 688F. 2d 1290 (D.C. Cir. 1981).

<sup>2</sup>Revised to 16.

<sup>3</sup>As of 2011.

Source: CRS. Data reflecting approximate acreage leased from one lease sale (Central Gulf of Mexico Sale 216/222 held on June 20, 2012) is not yet available. “NA” indicates Not Applicable.

*Resuming cancelled and postponed lease sales*

Some of the lease sales in H.R. 6082 are sales that had been previously planned but cancelled by the Obama Administration. Lease Sale 220 off the coast of Virginia serves as one example of a lease sale that had been scheduled to be conducted in 2011 under the Bush 2007–2012 final leasing program; however, the sale was first postponed and then cancelled by the Obama Administration, despite the support by the Governor of the Commonwealth of Virginia, Virginia’s General Assembly, and a bipartisan majority of Virginia’s Congressional delegation. Other sales included in H.R. 6082 were included in the previously mentioned draft proposed plan for 2010–2015 that was initiated though never finalized. Additional lease sales in lease sale planning areas were included to show a dedicated effort to provide regularly scheduled lease sales in new areas.

*California lease sales*

H.R. 6082 includes two lease sales in the Southern California Outer Continental Shelf (OCS) Planning Area. Lease Sale 249 is required to be conducted by 2013. The expedited timing of this lease sale is a result of the lease sale criteria, which requires the Secretary to conduct a lease sale comprised only of lease blocks that allow industry to utilize existing infrastructure already in place. This sale conforms to applications already underway in California where a company is looking to drill in California State waters from a platform in federal waters. The State of California has been helping the company move permits through the State and

federal process. The Committee believes that can serve as a model for the special lease sale in California waters. In developing this sale, the Committee consulted with a group of California petroleum geologists who estimate that there are 1.6 billion barrels of oil on unleased acreage that could be reached with extended reach drilling without a single new platform off the California coast. Lease Sale 243 in Southern California is scheduled for much later in the plan 2017 to provide sufficient time for planning.

*Eastern Gulf of Mexico*

H.R. 6082 specifically includes a section to make very clear the fact that the bill does not in any way repeal the moratorium on oil and natural gas leasing through 2022 in specific sections of the Eastern Gulf of Mexico, as is currently law under the Gulf of Mexico Energy Security Act of 2006 (GOMESA, Public Law 109-432). However, there is a very small amount of acreage in the Eastern Gulf of Mexico that is not under the GOMESA moratorium, and therefore is open and available for leasing. As a result, H.R. 6082 includes three lease sales for this very small open area, which borders the Central Gulf of Mexico planning area, two of which reflect lease sales included in President Obama's proposed final plan presented to Congress on June 28, 2012, and an additional sale in the same area.

*Protection for Defense operations*

Currently, in conducting lease sales in the OCS, the Secretary of the Interior works within a mutually-agreed to framework that was developed between the Department of the Interior and the Department of Defense under a Memorandum of Agreement (MOA) signed by both Secretaries in 1983. This Act requires the Secretaries to continue to work inside that framework established by the Memorandum of Agreement or any update of that agreement that follows.

Public lands of the United States are entrusted to the care of the federal government to ensure for their multiple-use by a wide variety of interests. In the case of federal OCS waters, the MOA allows for a symbiotic relationship between the Department of Defense and the Department of the Interior. The MOA ensures that the Secretary of the Interior and the Secretary of Defense are on equal footing in the leasing process and the two parties created a framework that balances those needs. The MOA clearly recognizes that the OCS leasing program of the Department of the Interior is an "integral part of the nation's energy security program," but it also recognizes that the military's continued use of the OCS is imperative to ensure that our armed forces "achieve and maintain an optimum state of readiness." The Committee believes that the MOA has successfully managed the multiple-use of federal lands.

Given the success of this MOA, the Committee also recognizes that the best way to feasibly ensure that the joint goals of preserving access to the OCS for the U.S. armed forces and for mineral development is to allow the departments to continue their negotiations inside the framework of the MOA. The Committee believes that a scenario where one department is given precedence over the other could fundamentally undermine the multiple-use mission for public lands. Instead, the MOA is recognized as a deli-

cate, yet sound, means by which both departments may reach mutually acceptable solutions, thereby allowing leasing to continue in the OCS while making certain that the needs of our Nation's armed forces are continued to be met.

*Energy companies and state sponsors of terrorism*

The Committee has been increasingly concerned that some foreign multinational energy companies and/or their subsidiaries that are currently operating on the Nation's OCS area are engaged in business operations with nations that are designated as State Sponsors of Terrorism by the U.S. Department of State. While this bill does not change existing laws that limit economic activity with state sponsors of terrorism, the Committee remains concerned that companies are increasingly choosing to operate in these countries, counter to U.S. national security interests.

The Committee expects the Administration to do a better job of tracking and identifying those companies that currently operate in the United States and have subsidiaries that are known to have operations in conjunction with State Sponsors of Terrorism. The Committee requests that the Administration report those findings back to the Committee. Furthermore, the report to the Committee should review current laws and regulations available to the Administration to review operations by any companies operating in the United States OCS that may be somehow linked through business operations with State Sponsors of Terrorism as well as possible actions that may be taken should these companies insist on continuing to collaborate with State Sponsors of Terrorism.

COMMITTEE ACTION

H.R. 6082 was introduced on July 9, 2012, by Congressman Doc Hastings (R-WA) and referred to the House Committee on Natural Resources. On July 17, 2012, the Full Resources Committee met to consider the bill. Congressman Jeff Duncan (R-TN) offered amendment designated #1 to the bill; the amendment was adopted by voice vote. Congressman Jon Runyan (R-NJ) offered amendment designated .050 to the bill; the amendment was defeated by voice vote. Congressman Paul Tonko (D-NJ) offered amendment designated .003 to the bill; the amendment was not adopted by a bipartisan roll call vote of 13 to 20, as follows:



**Committee on Natural Resources**  
U.S. House of Representatives  
112<sup>th</sup> Congress

Date: July 18, 2012

Recorded Vote #: 1

Meeting on / Amendment: **H.R. 6082** - An amendment offered by Mr. Tonko.003 was NOT AGREED TO by a roll call vote of 13 yeas and 20 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
<b>Mr. Hastings, WA Chairman</b>		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			<b>Mr. Benishek, MI</b>		X	
<b>Mr. Young, AK</b>				<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			<b>Mr. Rivera, FL</b>			
<b>Mr. Duncan of TN</b>		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Defazio, OR</i>		X		<b>Mr. Duncan of SC</b>			
<b>Mr. Gohmert, TX</b>				<i>Ms. Tsongas, MA</i>	X		
<i>Mr. Faleomavaega, AS</i>				<b>Mr. Tipton, CO</b>		X	
<b>Mr. Bishop, UT</b>		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mr. Pallone, NJ</i>	X			<b>Mr. Gosar, AZ</b>			
<b>Mr. Lamborn, CO</b>		X		<i>Mr. Garamendi, CA</i>			
<i>Mrs. Napolitano, CA</i>	X			<b>Mr. Labrador, ID</b>		X	
<b>Mr. Wittman, VA</b>		X		<i>Ms. Hanabusa, HI</i>			
<i>Mr. Holt, NJ</i>	X			<b>Ms. Noem, SD</b>		X	
<b>Mr. Broun, GA</b>				<i>Mr. Tonko, NY</i>	X		
<i>Mr. Grijalva, AZ</i>	X			<b>Mr. Southerland, FL</b>		X	
<b>Mr. Fleming, LA</b>		X		<b>Mr. Flores, TX</b>		X	
<i>Ms. Bordallo, GU</i>				<b>Mr. Harris, MD</b>		X	
<b>Mr. Coffman, CO</b>		X		<b>Mr. Landry, LA</b>		X	
<i>Mr. Costa, CA</i>				<b>Mr. Runyan, NJ</b>			
<b>Mr. McClintock, CA</b>		X		<b>Mr. Johnson, OH</b>		X	
<i>Mr. Boren, OK</i>				<b>Mr. Amodei, NV</b>		X	
<b>Mr. Thompson, PA</b>		X					
<i>Mr. Sablan, CNMI</i>	X						
<b>Mr. Denham, CA</b>							
				<b>TOTALS</b>	13	20	

Congressman Rush Holt (D-NJ) offered amendment designated .005 to the bill; the amendment was not adopted by a roll call vote of 15 to 19, as follows:

**Committee on Natural Resources**  
U.S. House of Representatives  
112<sup>th</sup> Congress

Date: July 18, 2012

Recorded Vote #: 2

Meeting on / Amendment: **H.R. 6082** - An amendment offered by Mr. Holt.005 was NOT AGREED TO by a roll call vote of 15 yeas and 19 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
<b>Mr. Hastings, WA Chairman</b>		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			<b>Mr. Benishek, MI</b>		X	
<b>Mr. Young, AK</b>				<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			<b>Mr. Rivera, FL</b>			
<b>Mr. Duncan of TN</b>		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Defazio, OR</i>	X			<b>Mr. Duncan of SC</b>			
<b>Mr. Gohmert, TX</b>				<i>Ms. Tsongas, MA</i>	X		
<i>Mr. Faleomavaega, AS</i>				<b>Mr. Tipton, CO</b>		X	
<b>Mr. Bishop, UT</b>		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mr. Pallone, NJ</i>	X			<b>Mr. Gosar, AZ</b>			
<b>Mr. Lamborn, CO</b>		X		<i>Mr. Garamendi, CA</i>	X		
<i>Mrs. Napolitano, CA</i>	X			<b>Mr. Labrador, ID</b>		X	
<b>Mr. Wittman, VA</b>		X		<i>Ms. Hanabusa, HI</i>			
<i>Mr. Holt, NJ</i>	X			<b>Ms. Noem, SD</b>		X	
<b>Mr. Broun, GA</b>				<i>Mr. Tonko, NY</i>	X		
<i>Mr. Grijalva, AZ</i>	X			<b>Mr. Southerland, FL</b>		X	
<b>Mr. Fleming, LA</b>		X		<b>Mr. Flores, TX</b>		X	
<i>Ms. Bordallo, GU</i>				<b>Mr. Harris, MD</b>		X	
<b>Mr. Coffman, CO</b>		X		<b>Mr. Landry, LA</b>		X	
<i>Mr. Costa, CA</i>				<b>Mr. Runyan, NJ</b>			
<b>Mr. McClintock, CA</b>		X		<b>Mr. Johnson, OH</b>		X	
<i>Mr. Boren, OK</i>				<b>Mr. Amodei, NV</b>		X	
<b>Mr. Thompson, PA</b>		X					
<i>Mr. Sablan, CNMI</i>	X						
<b>Mr. Denham, CA</b>							
				<b>TOTALS</b>	15	19	

Congressman Rush Holt (D-NJ) offered amendment designated .006 to the bill; the amendment was not adopted by a roll call vote of 16 to 21, as follows:

**Committee on Natural Resources**  
U.S. House of Representatives  
112<sup>th</sup> Congress

Date: July 18, 2012

Recorded Vote #: 3

Meeting on / Amendment: **H.R. 6082** - An amendment offered by Mr. Holt.006 was NOT AGREED TO by a roll call vote of 16 yeas and 21 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
<b>Mr. Hastings, WA Chairman</b>		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			<b>Mr. Benishek, MI</b>		X	
<b>Mr. Young, AK</b>				<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			<b>Mr. Rivera, FL</b>		X	
<b>Mr. Duncan of TN</b>		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Defazio, OR</i>	X			<b>Mr. Duncan of SC</b>		X	
<b>Mr. Gohmert, TX</b>				<i>Ms. Tsongas, MA</i>	X		
<i>Mr. Faleomavaega, AS</i>	X			<b>Mr. Tipton, CO</b>		X	
<b>Mr. Bishop, UT</b>		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mr. Pallone, NJ</i>	X			<b>Mr. Gosar, AZ</b>			
<b>Mr. Lamborn, CO</b>		X		<i>Mr. Garamendi, CA</i>	X		
<i>Mrs. Napolitano, CA</i>	X			<b>Mr. Labrador, ID</b>		X	
<b>Mr. Wittman, VA</b>		X		<i>Ms. Hanabusa, HI</i>			
<i>Mr. Holt, NJ</i>	X			<b>Ms. Noem, SD</b>		X	
<b>Mr. Broun, GA</b>				<i>Mr. Tonko, NY</i>	X		
<i>Mr. Grijalva, AZ</i>	X			<b>Mr. Southerland, FL</b>		X	
<b>Mr. Fleming, LA</b>		X		<b>Mr. Flores, TX</b>		X	
<i>Ms. Bordallo, GU</i>				<b>Mr. Harris, MD</b>		X	
<b>Mr. Coffman, CO</b>		X		<b>Mr. Landry, LA</b>		X	
<i>Mr. Costa, CA</i>				<b>Mr. Runyan, NJ</b>			
<b>Mr. McClintock, CA</b>		X		<b>Mr. Johnson, OH</b>		X	
<i>Mr. Boren, OK</i>				<b>Mr. Amodei, NV</b>		X	
<b>Mr. Thompson, PA</b>		X					
<i>Mr. Sablan, CNMI</i>	X						
<b>Mr. Denham, CA</b>							
				<b>TOTALS</b>	16	21	

Congressman Edward Markey (D-MA) offered amendment designated .002 to the bill; the amendment was not adopted by a bipartisan roll call vote of 15 to 25, as follows:

**Committee on Natural Resources**  
U.S. House of Representatives  
112<sup>th</sup> Congress

Date: July 18, 2012

Recorded Vote #: 4

Meeting on / Amendment: **H.R. 6082** - An amendment offered by Mr. Markey.002 was NOT AGREED TO by a roll call vote of 15 yeas and 25 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
<b>Mr. Hastings, WA Chairman</b>		X		<i>Mr. Heinrich, NM</i>		X	
<i>Mr. Markey, MA Ranking</i>	X			<b>Mr. Benishke, MI</b>		X	
<b>Mr. Young, AK</b>				<i>Mr. Lujan, NM</i>		X	
<i>Mr. Kildee, MI</i>	X			<b>Mr. Rivera, FL</b>		X	
<b>Mr. Duncan of TN</b>		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Defazio, OR</i>	X			<b>Mr. Duncan of SC</b>		X	
<b>Mr. Gohmert, TX</b>				<i>Ms. Tsongas, MA</i>	X		
<i>Mr. Faleomavaega, AS</i>	X			<b>Mr. Tipton, CO</b>		X	
<b>Mr. Bishop, UT</b>		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mr. Pallone, NJ</i>	X			<b>Mr. Gosar, AZ</b>			
<b>Mr. Lamborn, CO</b>		X		<i>Mr. Garamendi, CA</i>	X		
<i>Mrs. Napolitano, CA</i>	X			<b>Mr. Labrador, ID</b>		X	
<b>Mr. Wittman, VA</b>		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Holt, NJ</i>	X			<b>Ms. Noem, SD</b>		X	
<b>Mr. Broun, GA</b>		X		<i>Mr. Tonko, NY</i>	X		
<i>Mr. Grijalva, AZ</i>	X			<b>Mr. Southerland, FL</b>		X	
<b>Mr. Fleming, LA</b>		X		<b>Mr. Flores, TX</b>		X	
<i>Ms. Bordallo, GU</i>				<b>Mr. Harris, MD</b>		X	
<b>Mr. Coffman, CO</b>		X		<b>Mr. Landry, LA</b>		X	
<i>Mr. Costa, CA</i>				<b>Mr. Runyan, NJ</b>		X	
<b>Mr. McClintock, CA</b>		X		<b>Mr. Johnson, OH</b>		X	
<i>Mr. Boren, OK</i>				<b>Mr. Amodei, NV</b>		X	
<b>Mr. Thompson, PA</b>		X					
<i>Mr. Sablan, CNMI</i>	X						
<b>Mr. Denham, CA</b>							
				<b>TOTALS</b>	15	25	

Congressman Edward Markey (D-MA) offered amendment designated .004 to the bill; the amendment was not adopted by a bipartisan roll call vote of 17 to 25, as follows:



**Committee on Natural Resources**  
U.S. House of Representatives  
112<sup>th</sup> Congress

Date: July 18, 2012

Recorded Vote #: 5

Meeting on / Amendment: **H.R. 6082** - An amendment offered by Mr. Markey.004 was NOT AGREED TO by a roll call vote of 17 yeas and 25 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
<b>Mr. Hastings, WA Chairman</b>		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			<b>Mr. Benishek, MI</b>		X	
<b>Mr. Young, AK</b>				<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			<b>Mr. Rivera, FL</b>		X	
<b>Mr. Duncan of TN</b>		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Defazio, OR</i>	X			<b>Mr. Duncan of SC</b>		X	
<b>Mr. Gohmert, TX</b>				<i>Ms. Tsongas, MA</i>	X		
<i>Mr. Faleomavaega, AS</i>	X			<b>Mr. Tipton, CO</b>		X	
<b>Mr. Bishop, UT</b>		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mr. Pallone, NJ</i>	X			<b>Mr. Gosar, AZ</b>			
<b>Mr. Lamborn, CO</b>		X		<i>Mr. Garamendi, CA</i>	X		
<i>Mrs. Napolitano, CA</i>	X			<b>Mr. Labrador, ID</b>		X	
<b>Mr. Wittman, VA</b>		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Holt, NJ</i>	X			<b>Ms. Noem, SD</b>		X	
<b>Mr. Broun, GA</b>		X		<i>Mr. Tonko, NY</i>	X		
<i>Mr. Grijalva, AZ</i>	X			<b>Mr. Southerland, FL</b>		X	
<b>Mr. Fleming, LA</b>		X		<b>Mr. Flores, TX</b>		X	
<i>Ms. Bordallo, GU</i>				<b>Mr. Harris, MD</b>		X	
<b>Mr. Coffman, CO</b>		X		<b>Mr. Landry, LA</b>		X	
<i>Mr. Costa, CA</i>		X		<b>Mr. Runyan, NJ</b>		X	
<b>Mr. McClintock, CA</b>		X		<b>Mr. Johnson, OH</b>		X	
<i>Mr. Boren, OK</i>				<b>Mr. Amodei, NV</b>		X	
<b>Mr. Thompson, PA</b>		X					
<i>Mr. Sablan, CNMI</i>	X						
<b>Mr. Denham, CA</b>		X					
				<b>TOTALS</b>	17	25	

Congressman Frank Pallone (D-NJ) offered amendment designated .059 to the bill; the amendment was not adopted by a bipartisan roll call vote of 16 to 26, as follows:

**Committee on Natural Resources**  
U.S. House of Representatives  
112<sup>th</sup> Congress

Date: July 18, 2012

Recorded Vote #: 6

Meeting on / Amendment: **H.R. 6082** - An amendment offered by Mr. Pallone.059 was NOT AGREED TO by a roll call vote of 16 yeas and 26 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
<b>Mr. Hastings, WA Chairman</b>		X		<i>Mr. Heinrich, NM</i>		X	
<i>Mr. Markey, MA Ranking</i>	X			<b>Mr. Benishek, MI</b>		X	
<b>Mr. Young, AK</b>				<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			<b>Mr. Rivera, FL</b>		X	
<b>Mr. Duncan of TN</b>		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Defazio, OR</i>	X			<b>Mr. Duncan of SC</b>		X	
<b>Mr. Gohmert, TX</b>				<i>Ms. Tsongas, MA</i>	X		
<i>Mr. Faleomavaega, AS</i>	X			<b>Mr. Tipton, CO</b>		X	
<b>Mr. Bishop, UT</b>		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mr. Pallone, NJ</i>	X			<b>Mr. Gosar, AZ</b>			
<b>Mr. Lamborn, CO</b>		X		<i>Mr. Garamendi, CA</i>	X		
<i>Mrs. Napolitano, CA</i>	X			<b>Mr. Labrador, ID</b>		X	
<b>Mr. Wittman, VA</b>		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Holt, NJ</i>	X			<b>Ms. Noem, SD</b>		X	
<b>Mr. Broun, GA</b>		X		<i>Mr. Tonko, NY</i>	X		
<i>Mr. Grijalva, AZ</i>	X			<b>Mr. Southerland, FL</b>		X	
<b>Mr. Fleming, LA</b>		X		<b>Mr. Flores, TX</b>		X	
<i>Ms. Bordallo, GU</i>				<b>Mr. Harris, MD</b>		X	
<b>Mr. Coffman, CO</b>		X		<b>Mr. Landry, LA</b>		X	
<i>Mr. Costa, CA</i>		X		<b>Mr. Runyan, NJ</b>		X	
<b>Mr. McClintock, CA</b>		X		<b>Mr. Johnson, OH</b>		X	
<i>Mr. Boren, OK</i>				<b>Mr. Amodei, NV</b>		X	
<b>Mr. Thompson, PA</b>		X					
<i>Mr. Sablan, CNMI</i>	X						
<b>Mr. Denham, CA</b>		X					
				<b>TOTALS</b>	16	26	

The bill, as amended, was then adopted and ordered favorably reported to the House of Representatives by a bipartisan roll call vote of 24 to 17, as follows:

**Committee on Natural Resources**  
U.S. House of Representatives  
112<sup>th</sup> Congress

Date: July 18, 2012

Recorded Vote #: 7

Meeting on/ Amendment: **H.R. 6082** - Adopted and favorably reported to the House of Representatives, as amended, by a roll call vote of 24 yeas and 17 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
<b>Mr. Hastings, WA Chairman</b>	X			<i>Mr. Heinrich, NM</i>		X	
<i>Mr. Markey, MA Ranking</i>		X		<b>Mr. Benishek, MI</b>	X		
<b>Mr. Young, AK</b>				<i>Mr. Lujan, NM</i>		X	
<i>Mr. Kildee, MI</i>		X		<b>Mr. Rivera, FL</b>	X		
<b>Mr. Duncan of TN</b>	X			<i>Ms. Sutton, OH</i>		X	
<i>Mr. Defazio, OR</i>		X		<b>Mr. Duncan of SC</b>	X		
<b>Mr. Gohmert, TX</b>				<i>Ms. Tsongas, MA</i>		X	
<i>Mr. Faleomavaega, AS</i>		X		<b>Mr. Tipton, CO</b>	X		
<b>Mr. Bishop, UT</b>	X			<i>Mr. Pierluisi, PR</i>		X	
<i>Mr. Pallone, NJ</i>		X		<b>Mr. Gosar, AZ</b>			
<b>Mr. Lamborn, CO</b>	X			<i>Mr. Garamendi, CA</i>		X	
<i>Mrs. Napolitano, CA</i>		X		<b>Mr. Labrador, ID</b>	X		
<b>Mr. Wittman, VA</b>	X			<i>Ms. Hanabusa, HI</i>		X	
<i>Mr. Holt, NJ</i>		X		<b>Ms. Noem, SD</b>	X		
<b>Mr. Broun, GA</b>	X			<i>Mr. Tonko, NY</i>		X	
<i>Mr. Grijalva, AZ</i>				<b>Mr. Southerland, FL</b>	X		
<b>Mr. Fleming, LA</b>	X			<b>Mr. Flores, TX</b>	X		
<i>Ms. Bordallo, GU</i>				<b>Mr. Harris, MD</b>	X		
<b>Mr. Coffman, CO</b>	X			<b>Mr. Landry, LA</b>	X		
<i>Mr. Costa, CA</i>	X			<b>Mr. Runyan, NJ</b>		X	
<b>Mr. McClintock, CA</b>	X			<b>Mr. Johnson, OH</b>	X		
<i>Mr. Boren, OK</i>				<b>Mr. Amodei, NV</b>	X		
<b>Mr. Thompson, PA</b>	X						
<i>Mr. Sablan, CNMI</i>		X					
<b>Mr. Denham, CA</b>	X						
				<b>TOTALS</b>	24	17	

## COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

## COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

*H.R. 6082—Congressional Replacement of President Obama's Energy-Restricting and Job-Limiting Offshore Drilling Plan*

Summary: H.R. 6082 would establish a schedule for oil and gas lease sales in the Outer Continental Shelf (OCS) that would replace the leasing plan developed by the Department of the Interior (DOI) for the 2012–2017 period. The bill would direct DOI to auction leases in areas that are not included in DOI's plan, including the OCS in the Atlantic and Pacific Oceans and the North Aleutian Basin in Alaska. It also would require auctions to be held earlier and more frequently in certain OCS areas in Alaska and the eastern Gulf of Mexico. Under H.R. 6082, the timetable for sales in the central and western Gulf of Mexico, which occur annually under current policies, would remain unchanged.

CBO estimates that enacting H.R. 6082 would increase offsetting receipts collected from lease sales over the 2013–2022 period, thus reducing net direct spending by about \$600 million over that period. In addition, CBO estimates that implementing the bill would cost \$35 million over the 2013–2017 period, assuming appropriation of the necessary amounts. Enacting this bill would not affect revenues. Pay-as-you-go procedures apply because enacting the legislation would affect offsetting receipts (a credit against direct spending).

H.R. 6082 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 6082 is shown in the following table. The costs of this legislation fall within budget functions 300 (natural resources and the environment) and 950 (undistributed offsetting receipts).

	By fiscal year, in millions of dollars—					
	2013	2014	2015	2016	2017	2013–2017
CHANGES IN DIRECT SPENDING <sup>1</sup>						
Estimated Budget Authority .....	0	0	–150	–135	–235	–520
Estimated Outlays .....	0	0	–150	–135	–235	–520
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level .....	15	15	2	2	1	35
Estimated Outlays .....	13	15	4	2	1	35

<sup>1</sup> Over the 2013–2022 period, CBO estimates that enacting H.R. 6082 would reduce net direct spending by \$600 million.

**Basis of estimate:** For this estimate, CBO assumes that H.R. 6082 will be enacted near the end of 2012 and that the amounts necessary to implement the bill will be appropriated each year. Because oil and gas production usually occurs several years after a lease is issued, CBO expects that most of the net increase in offsetting receipts under H.R. 6082 over the next 10 years would result from bonus payments collected when firms acquire leases.

#### *Direct spending*

H.R. 6082 would codify an OCS leasing schedule for the 2013–2017 period that includes auctions in areas that would not be leased under DOI’s current five-year plan. CBO estimates that those additional sales would increase net offsetting receipts, a credit against direct spending, by about \$600 million over the 2013–2022 period relative to the amounts we expect the government to collect from OCS leasing under current law. That estimate is based on information from DOI about the oil and gas resources in the affected regions, historical rates of leasing in those areas, and recent trends in the amount of bonus bids paid for other OCS leases. Although H.R. 6082 would direct DOI to hold certain lease sales starting in 2013, CBO anticipates that most of the additional proceeds would be collected after 2015 because of the time needed to complete geological, environmental, and other assessments for each sale and to issue leases to winning bidders.

**Leasing in the Atlantic and Pacific OCS.** With the exception of certain areas off the coast of Florida, which are subject to a temporary ban on leasing until July 1, 2022, decisions about where and when to offer OCS leases are made administratively—in consultation with industry and affected states—for five-year periods. Leases cannot be offered for areas that are not included in a five-year plan, but the available regions may change whenever a new plan is adopted. Based on DOI’s plan for 2013 through 2017, CBO assumes that no leasing will occur in the Atlantic or Pacific OCS over that period. However, CBO’s baseline projections of oil and gas leasing receipts reflect the possibility that DOI will offer leases in those areas after 2017.<sup>1</sup> CBO assumes that enacting H.R. 6082 would have no effect on OCS leasing policies after 2017 because the stipulations in the bill would apply only to auctions held during the 2013–2017 period.

<sup>1</sup>The geographic scope of OCS leasing has changed often over the past few decades. See Adam Vann, *Offshore Oil and Gas Development: Legal Framework*, CRS Report for Congress RL33404 (Congressional Research Service, May 2, 2011); and Curry L. Hagerty, *Outer Continental Shelf Moratoria on Oil and Gas Development*, CRS Report for Congress R41132 (Congressional Research Service, March 23, 2011).

Estimates of potential proceeds from leasing in areas of the Atlantic and Pacific OCS are uncertain. Because there has been no leasing activity in those areas for more than 25 years, there are no data on bidders' assessments of the value of those resources relative to alternative investments in domestic resources onshore, other OCS regions, or international prospects. Areas that primarily contain natural gas may not attract significant industry interest if prices remain near their current levels.<sup>2</sup> Other factors that could affect bidder interest include the absence of pipelines and onshore processing facilities in key areas and past litigation regarding offshore oil and gas development, which resulted in the cancellation of some federal leases in both regions. In addition, some resources in those regions probably would be excluded from auctions because leasing may not be compatible with state coastal zone management plans.

Based on such considerations and DOI's resource assessments, CBO estimates that conducting auctions in the Atlantic and Pacific OCS as specified by this bill would increase net proceeds from oil and gas leasing by \$550 million over the 2013–2022 period relative to the amounts expected under current law. Based on historical trends, CBO estimates that the additional bonus payments would be collected by 2018. The change in receipts for the remainder of the 10-year period would be limited to rental payments on nonproducing leases and royalties on any leases brought into production within that period.

Although the timing of auctions in the Atlantic and Pacific after 2017 under current law is unknown, CBO expects that leasing will occur at some point in the future without any change in law. Thus, legislation to require immediate leasing of those areas would accelerate development but probably not affect the total amount of development in those areas over the next several decades.

Leasing in the Alaska OCS. The leasing schedule in H.R. 6082 would include an auction in the North Aleutian Basin in Alaska in 2016. That OCS region is not included in DOI's leasing plan for the 2013–2017 period. Estimates of bidder valuations and interest in such leases are uncertain because the firms that won leases in this region in the 1980s relinquished them as a result of litigation. For this estimate, CBO anticipates that bonus bids could range from a few million dollars to about \$100 million, which would be roughly proportionate to the prices recently paid for resources leased in the Chukchi Sea. CBO estimates that proceeds from enacting this provision would fall in the midpoint of this range—or about \$50 million.

Leasing in Areas Where Leasing Will Occur Under the Current Five-Year Plan. H.R. 6082 would change the timing and frequency of auctions in some areas that are included in DOI's current five-year plan, such as the Chukchi Sea, Beaufort Sea, and Cook Inlet in Alaska and part of the eastern Gulf of Mexico. For example, the bill would direct DOI to auction leases in the Chukchi Sea three times during the 2013–2017 period, compared to the single sale

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<sup>2</sup>The Energy Information Administration estimates that no oil or gas will be produced in the Atlantic OCS through 2035 under the price and resource assumptions in the agency's reference case for 2012. See *Annual Energy Outlook 2012*, DOE/EIA-0383 (2012) (June 2012), tables 132 and 133. Those projections assume that leasing in the Atlantic OCS will begin in 2018. See *Annual Energy Outlook 2011*, DOE/EIA-0383 (2011) (April 2011), pp. 35–37.



planned by DOI. CBO estimates that those stipulations would change the years in which receipts are collected but would have no significant net effect on the amount of receipts over the 2013–2022 period.

Although DOI makes areas available for oil and gas development, the quantity of acreage leased and the prices paid for those leases depend on decisions made by firms. Industry valuations typically reflect information from seismic analysis and from exploration and development activities on other leases. Because such activities typically take several years to complete, CBO expects that the information available to bidders for valuing leases would be roughly the same whether leases are auctioned on a single or multiple occasions within that five-year period.

*Spending Subject to Appropriation*

Based on spending patterns for similar activities, CBO estimates that DOI would spend about \$35 million over the 2013–2017 period to complete pre-auction assessments and conduct the additional lease sales required by the bill, assuming appropriation of the necessary amounts.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 6082, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON NATURAL RESOURCES ON JULY 18, 2012

	By fiscal year, in millions of dollars											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2022
Statutory Pay-As-You-Go Impact .....	0	0	0	0	-150	-135	-235	-60	-5	-5	-5	-520
NET INCREASE OR DECREASE (-) DEFICIT .....	0	0	0	0	-150	-135	-235	-60	-5	-5	-5	-600

Intergovernmental and private-sector impact: H.R. 6082 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Previous CBO estimates: CBO has prepared cost estimates for two pieces of legislation that are similar to H.R. 6082. On May 2, 2011, CBO transmitted a cost estimate for H.R. 1231, the Reversing President Obama's Offshore Moratorium Act, as ordered reported by the House Committee on Natural Resources on April 13, 2011. On February 7, 2012, CBO transmitted a cost estimate for H.R. 3410, the Energy Security and Transportation Jobs Act, as ordered reported by the House Committee on Natural Resources on February 1, 2012. Differences among the estimates largely reflect differences in provisions regarding the eastern Gulf of Mexico, revenue sharing with states, and the time period covered by the legislation: H.R. 6082 would revise leasing policies for the period from 2013 through 2017; in contrast, the changes in H.R. 1231 and H.R. 3410 would remain in effect indefinitely.

Estimate prepared by: Federal costs: Kathleen Gramp; Impact on state, local, and tribal governments: Mellissa Merrell; Impact on the private sector: Amy Petz.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

2. Section 308(a) of Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, credit authority, or an increase or decrease in revenues or tax expenditures. CBO estimates that enacting H.R. 6082 would increase offsetting receipts collected from lease sales over the 2013–2022 period, thus reducing net direct spending by about \$600 million over that period. In addition, CBO estimates that implementing the bill would cost \$35 million over the 2013–2017 period, assuming appropriation of the necessary amounts. Enacting this bill would not affect revenues. Pay-as-you-go procedures apply because enacting the legislation would affect offsetting receipts (a credit against direct spending).

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill, as ordered reported, is to officially replace, within the 60-day Congressional review period under the Outer Continental Shelf Lands Act, President Obama's Proposed Final Outer Continental Shelf Oil & Gas Leasing Program (2012–2017) with a congressional plan that will conduct additional oil and natural gas lease sales to promote offshore energy development, job creation, and increased domestic energy production to ensure a more secure energy future in the United States.

#### EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

#### COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.

## DISSENTING VIEWS

With the passage of H.R. 6082, over the last 18 months the Natural Resources Committee has now reported out a total of 11 bills intended to open up nearly every last piece of our public lands to drilling and hand even more giveaways to Big Oil. All in all, the Majority has cast a total of 62 votes in the Natural Resources Committee that benefit the oil and gas industry.

The Majority has voted repeatedly to allow drilling off our beaches in California, New Jersey and Florida without improving the safety of offshore drilling. They have voted to allow drilling in the crown jewel of our wildlife refuge system, the Arctic National Wildlife Refuge in Alaska. They have voted to turn over nearly all of our public lands onshore to the oil industry within a few short years. They have repeatedly voted against putting in place any new safety standards for offshore drilling following the BP spill, against ensuring that oil companies making record profits are paying their fair share to drill on public lands, and against keeping the oil and gas produced from public lands here in America to benefit American consumers.

We oppose H.R. 6082 because it continues that trend, forcing drilling off the East Coast, stretching from Maine to South Carolina, off of Southern California and in the important fishery of Bristol Bay off Alaska while preventing proper environmental review. This legislation would also dangerously rush additional leasing offshore in the Arctic.

H.R. 6082 would revive a number of long-dead lease sales proposed by the Bush Administration just 4 days before leaving office. In the same week that the House will consider Republican legislation to prohibit "midnight" regulations, we will also consider a Republican bill to legislatively reinstate the Bush Administration "midnight" offshore leasing plan.

And the legislation would prevent proper environmental review of offshore drilling in the Atlantic, Pacific and Bristol Bay by requiring that the Department conduct a single Multisale Environmental Impact Statement (EIS) for these areas. Such EIS documents are usually done for lease sales in areas like the Gulf of Mexico, where the conditions are well known and similar. However, under this proposal, the Department would be forced to conduct a single environmental review for these three distinct and wildly different areas. In fact, it would be almost difficult to imagine three more different environments.

Ultimately, H.R. 6082 ignores the fact that President Obama's offshore drilling plan already makes more than 75 percent of the offshore oil and gas resources available for drilling. It ignores the fact that domestic oil production is at an 18 year high. It ignores the fact that we have fifty percent more floating drilling rigs operating in the Gulf of Mexico than we did prior to the BP spill and

have more total rigs operating in the United States than does the rest of the world combined. And the bill fails to address safety reforms for offshore drilling nor does it ensure that oil companies are paying their fair share to drill on public lands.

The Majority rejected an amendment from Representative Tonko (D-NY) that would have required oil companies seeking new leases on public land to disclose to the public secret campaign contributions over the preceding five years. The Majority rejected an amendment from Energy and Mineral Resources Subcommittee Ranking Member Holt (D-NJ) that would have improved the safety of offshore drilling, ended the roughly \$1 billion in free drilling by oil companies in the Gulf of Mexico each year, required oil companies to begin drilling on the 26 million acres they already have under lease offshore that hold nearly 18 billion barrels of oil, and struck provisions in the underlying bill limiting environmental review of drilling in new areas.

The Majority also rejected an amendment from Representative Holt that would have required oil companies to test all drilling, safety and oil spill response equipment in actual Arctic conditions prior to drilling there and ensured that drilling in Bristol Bay would not harm fishing industry jobs or the economy in Alaska and the West Coast. An amendment from Full Committee Ranking Member Markey (D-MA) to ensure that all natural gas produced from public lands under this act stayed in America to help American consumers and our economy was rebuffed by the Majority. The Majority also defeated an amendment from Representative Markey that would have required major, integrated oil companies, which are making record profits, to relinquish some of the roughly \$4 billion the industry receives every year in taxpayer subsidies. Finally, the Majority rejected an amendment from Representative Pallone (D-NJ) that would have protected New Jersey and the other East Coast states by striking the lease sales in the Atlantic.

Democrats will continue to support President Obama's "All of the Above" energy strategy, which has successfully reduced our dependence on foreign oil from 57 percent during the last year of the Bush Administration to 45 percent today and oppose the Majority's continued efforts to hand new giveaways to Big Oil.

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