

110TH CONGRESS
2D SESSION

H. R. 6009

To leverage market forces to bring greater efficiency and capacity to domestic refineries, to bring new sources of domestic energy to market, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2008

Mr. ENGLISH of Pennsylvania (for himself and Mr. ALEXANDER) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on Energy and Commerce, the Judiciary, Ways and Means, and Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To leverage market forces to bring greater efficiency and capacity to domestic refineries, to bring new sources of domestic energy to market, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Affordable Fuel for Consumers Act of 2008”.

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

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROVISIONS

- Sec. 101. Sense of Congress.
 Sec. 102. Cap and reduction of boutique fuels.
 Sec. 103. Antitrust prohibition of certain conduct by oil producing cartels.
 Sec. 104. Report to Congress on energy bottlenecks and barriers.

TITLE II—TAX PROVISIONS

- Sec. 201. 60-day suspension of fuel taxes on highway motor fuels.
 Sec. 202. Temporary expensing of oil and natural gas exploration and production property.
 Sec. 203. Incentives for extraction and processing of oil shale.

TITLE III—OIL AND GAS DRILLING

Subtitle A—Arctic National Wildlife Refuge

- Sec. 301. Definitions.
 Sec. 302. Leasing program for lands within the Coastal Plain.
 Sec. 303. Lease sales.
 Sec. 304. Grant of leases by the Secretary.
 Sec. 305. Lease terms and conditions.
 Sec. 306. Coastal Plain environmental protection.
 Sec. 307. Expedited judicial review.
 Sec. 308. Federal and State distribution of revenues.
 Sec. 309. Rights-of-way across the Coastal Plain.
 Sec. 310. Conveyance.
 Sec. 311. Local government impact aid and community service assistance.

Subtitle B—Off Shore Drilling for Oil and Gas

- Sec. 321. Termination of prohibitions on expenditures for, and withdrawals from, offshore leasing.
 Sec. 322. Outer Continental Shelf leasing program.
 Sec. 323. Sharing of revenues.

Subtitle C—Prohibition on Exportation of Alaskan North Slope Crude Oil

- Sec. 331. Prohibition on exportation of Alaskan North Slope crude oil.

1 **TITLE I—GENERAL PROVISIONS**

2 **SEC. 101. SENSE OF CONGRESS.**

3 It is the sense of the Congress that the President
 4 should stop filling the Strategic Petroleum Reserve until
 5 the price of petroleum no longer has a major adverse im-
 6 pact on the national economy.

1 **SEC. 102. CAP AND REDUCTION OF BOUTIQUE FUELS.**

2 (a) EPA APPROVAL OF STATE PLANS WITH BOU-
3 TIQUE FUELS.—Section 211(c)(4) of the Clean Air Act
4 (42 U.S.C. 7545(c)(4)) is amended by adding the fol-
5 lowing at the end thereof:

6 “(D) In the case of gasoline, after the enactment of
7 this subparagraph, the Administrator may give a pref-
8 erence to the approval of State implementation plan provi-
9 sions described in subparagraph (C) if the control or pro-
10 hibition in such provisions requires the use of either of
11 the following:

12 “(i) Reformulated gasoline as defined in sub-
13 section (k).

14 “(ii) Gasoline having a Reid Vapor Pressure of
15 7.0 or 7.8 pounds per square inch (psi) for the high
16 ozone season (as determined by the Administrator).
17 The Administrator shall have no authority, when consid-
18 ering State implementation plan revisions under subpara-
19 graph (C), to approve any fuel or fuel additive if the effect
20 of such approval would be to increase the total number
21 of fuels and fuel additives approved in all State implemen-
22 tation plans nationwide prior to June 1, 2004.”.

23 (b) CROSS REFERENCE.—Section 211(c)(4)(C) of the
24 Clean Air Act (42 U.S.C. 7545(c)(4)(C)) is amended by
25 adding the following at the end thereof: “After the date
26 of enactment of subparagraph (D) of this paragraph, any

1 State implementation plan revision under this subpara-
2 graph involving gasoline shall be considered only pursuant
3 to both this subparagraph and subparagraph (D).”.

4 (c) STUDY.—The Administrator of the Environ-
5 mental Protection Agency, in cooperation with the Sec-
6 retary of Energy, shall undertake a study of the effects
7 on air quality, on the number of fuel blends, on fuel avail-
8 ability, and on fuel costs of the State plan provisions
9 adopted pursuant to section 211(c)(4)(D) of the Clean Air
10 Act. In carrying out such study, the Administrator shall
11 obtain comments from affected parties. The Administrator
12 shall submit the results of such study to the Congress not
13 later than 18 months after the enactment of this Act, to-
14 gether with any recommended legislative changes to the
15 list of fuels in section 211(c)(4)(D), which, if expanded,
16 shall not exceed 10 fuels.

17 **SEC. 103. ANTITRUST PROHIBITION OF CERTAIN CONDUCT**
18 **BY OIL PRODUCING CARTELS.**

19 (a) ANTITRUST AMENDMENT.—The Sherman Act
20 (15 U.S.C. 1 et seq.) is amended by adding after section
21 7 the following:

22 “SEC. 7A. (a) It shall be illegal and a violation of
23 this Act for any foreign state, or any instrumentality or
24 agent of any foreign state, to act collectively or in com-
25 bination with any other foreign state, any instrumentality

1 or agent of any other foreign state, or any other person,
2 whether by cartel or any other association or form of co-
3 operation or joint action—

4 “(1) to limit the production or distribution of
5 oil, natural gas, or any other petroleum product;

6 “(2) to set or maintain the price of oil, natural
7 gas, or any petroleum product; or

8 “(3) to otherwise take any action in restraint of
9 trade for oil, natural gas, or any petroleum product;
10 when such action, combination, or collective action has a
11 direct, substantial, and reasonably foreseeable effect on
12 the market, supply, price, or distribution of oil, natural
13 gas, or other petroleum product in the United States.

14 “(b) A foreign state engaged in conduct in violation
15 of subsection (a) shall not be immune under the doctrine
16 of sovereign immunity from the jurisdiction or judgments
17 of the courts of the United States in any action brought
18 to enforce this section.

19 “(c) No court of the United States shall decline,
20 based on the act of state doctrine, to make a determina-
21 tion on the merits in an action brought under this section.

22 “(d) The Attorney General of the United States may
23 bring an action to enforce this section in any district court
24 of the United States as provided under the antitrust
25 laws.”.

1 (b) SOVEREIGN IMMUNITY.—Section 1605(a) of title
2 28, United States Code, is amended—

3 (1) in paragraph (6), by striking “or” after the
4 semicolon;

5 (2) in paragraph (7), by striking the period and
6 inserting “; or”; and

7 (3) by adding at the end the following:

8 “(8) in which the action is brought under sec-
9 tion 7A of the Sherman Act.”.

10 **SEC. 104. REPORT TO CONGRESS ON ENERGY BOTTLE-**
11 **NECKS AND BARRIERS.**

12 Not later than one year after the date of enactment
13 of this Act, the Comptroller General shall transmit to the
14 Congress a report containing the results of a study on the
15 effectiveness of our Nation’s energy supply, and limita-
16 tions on the current energy infrastructure, with emphasis
17 on areas that create artificial shortages, long-term supply
18 problems, and higher costs. The study shall compare re-
19 gional differences in supply and cost of energy, and rea-
20 sons for such differences.

21 **TITLE II—TAX PROVISIONS**

22 **SEC. 201. 60-DAY SUSPENSION OF FUEL TAXES ON HIGHWAY**
23 **MOTOR FUELS.**

24 (a) IN GENERAL.—Section 4081 of the Internal Rev-
25 enue Code of 1986 (relating to imposition of tax on motor

1 and aviation fuels) is amended by adding at the end the
2 following new subsection:

3 “(f) 60-DAY SUSPENSION OF HIGHWAY MOTOR
4 FUEL TAXES.—

5 “(1) IN GENERAL.—During the suspension pe-
6 riod, no tax shall be imposed by section 4041 or
7 4081 on highway motor fuel.

8 “(2) DEFINITIONS.—For purposes of this sub-
9 section—

10 “(A) SUSPENSION PERIOD.—The term
11 ‘suspension period’ means the 60-day period be-
12 ginning on the day after the date of the enact-
13 ment of this section.

14 “(B) HIGHWAY MOTOR FUEL.—The term
15 ‘highway motor fuel’ means any fuel subject to
16 tax under section 4041 or 4081 other than
17 aviation gasoline and aviation-grade kerosene.

18 “(3) PREEMPTION OF STATE LAW.—No State
19 tax may be increased by reason of any suspension of
20 tax under this subsection.”.

21 (b) MAINTENANCE OF TRUST FUNDS DEPOSITS;
22 AMOUNTS APPROPRIATED TO TRUST FUNDS TREATED AS
23 TAXES.—

24 (1) IN GENERAL.—There is hereby appro-
25 priated (out of any money in the Treasury not other-

1 wise appropriated) to each trust fund which would
2 (but for this subsection) receive reduced revenues as
3 a result of suspending a tax referred to in section
4 4081(f)(1) of the Internal Revenue Code of 1986 (as
5 added by this section) an amount equal to such re-
6 duction in revenues. Amounts appropriated by the
7 preceding sentence to any trust fund—

8 (A) shall be transferred from the general
9 fund at such times and in such manner as to
10 replicate to the extent possible the transfers
11 which would have occurred had subsection (a)
12 not been enacted, and

13 (B) shall be treated for all purposes of
14 Federal law as taxes received under the appro-
15 priate section referred to in such section
16 4081(f)(1).

17 (c) EFFECTIVE DATE.—The amendment made by
18 this section shall take effect on the date of the enactment
19 of this Act.

20 **SEC. 202. TEMPORARY EXPENSING OF OIL AND NATURAL**
21 **GAS EXPLORATION AND PRODUCTION PROP-**
22 **ERTY.**

23 (a) IN GENERAL.—Part VI of subchapter B of chap-
24 ter 1 of the Internal Revenue Code of 1986 is amended
25 by inserting after section 179E the following new section:

1 **“SEC. 179F. TEMPORARY EXPENSING OF OIL AND NATURAL**
2 **GAS EXPLORATION AND PRODUCTION PROP-**
3 **ERTY .**

4 “(a) TREATMENT AS EXPENSES.—At the election of
5 the taxpayer, there shall be allowed as a deduction an
6 amount equal to the cost paid or incurred by the taxpayer
7 during the taxable year for qualified oil and gas produc-
8 tion property. The deduction under the preceding sentence
9 with respect to any property shall be allowed for the tax-
10 able year in which such property is placed in service.

11 “(b) QUALIFIED OIL AND GAS PRODUCTION PROP-
12 ERTY.—For purposes of this section—

13 “(1) IN GENERAL.—The term ‘qualified oil and
14 gas production property’ means any property—

15 “(A) the original use of which begins with
16 the taxpayer, and

17 “(B) which is described in any of the fol-
18 lowing assets classes under Revenue Procedure
19 87–56:

20 “(i) 13.0 (relating to assets used in
21 offshore drilling for oil and gas).

22 “(ii) 13.1 (relating to drilling of oil
23 and gas wells).

24 “(iii) 13.2 (relating to exploration for
25 and production of petroleum and natural
26 gas deposits).

1 “(2) APPLICATION OF SECTION.—This section
2 shall apply to any property only if—

3 “(A)(i) no written binding contract for the
4 construction of such property was in effect on
5 or before May 8, 2008, or

6 “(ii) in the case of self-constructed prop-
7 erty, the construction of such property did not
8 commence on or before such date, and

9 “(B) such property is placed in service be-
10 fore January 1, 2012.

11 “(3) SPECIAL RULE FOR SALE-LEASEBACKS.—
12 For purposes of paragraph (1)(A), if property is—

13 “(A) originally placed in service after the
14 date of the enactment of this section by a per-
15 son, and

16 “(B) sold and leased back by such person
17 within 3 months after the date such property
18 was originally placed in service,

19 such property shall be treated as originally placed in
20 service not earlier than the date on which such prop-
21 erty is used under the leaseback referred to in sub-
22 paragraph (B).

23 “(c) BASIS REDUCTION.—

24 “(1) IN GENERAL.—For purposes of this title,
25 the basis of any property shall be reduced by the

1 portion of the cost of such property taken into ac-
2 count under subsection (a).

3 “(2) ORDINARY INCOME RECAPTURE.—For
4 purposes of section 1245, the amount of the deduc-
5 tion allowable under subsection (a) with respect to
6 any property which is of a character subject to the
7 allowance for depreciation shall be treated as a de-
8 duction allowed for depreciation under section 167.

9 “(d) ELECTION.—

10 “(1) IN GENERAL.—An election under this sec-
11 tion for any taxable year shall be made on the tax-
12 payer’s return of the tax imposed by this chapter for
13 the taxable year.

14 “(2) ELECTION IRREVOCABLE.—Any election
15 made under this section may not be revoked except
16 with the consent of the Secretary.

17 “(e) ELECTION TO ALLOCATE DEDUCTION TO COOP-
18 ERATIVE OWNER.—A rule similar to the rule of section
19 179C(g) shall apply for purposes of this section.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 263(a)(1) of such Code is amended
22 by striking “or” at the end of subparagraph (K), by
23 striking the period at the end of subparagraph (L)
24 and inserting “, or”, and by inserting after subpara-
25 graph (L) the following new subparagraph:

1 date of the enactment of this Act in taxable years ending
2 after such date.

3 **SEC. 203. INCENTIVES FOR EXTRACTION AND PROCESSING**
4 **OF OIL SHALE.**

5 (a) INVESTMENT TAX CREDIT FOR EXTRACTION AND
6 PROCESSING OF OIL SHALE USING IN-SITU CONVERSION
7 TECHNOLOGY.—

8 (1) IN GENERAL.—Subpart E of part IV of
9 subchapter A of chapter 1 of the Internal Revenue
10 Code of 1986 is amended by inserting after section
11 48B the following new section:

12 **“SEC. 48C. OIL SHALE EXTRACTION AND PROCESSING FA-**
13 **CILITY.**

14 “(a) GENERAL RULE.—For purposes of section 46,
15 the oil shale extraction and processing credit for any tax-
16 able year is 30 percent of the cost of any qualified oil shale
17 extraction and processing property.

18 “(b) QUALIFIED OIL SHALE EXTRACTION AND
19 PROCESSING PROPERTY.—The term ‘qualified oil shale
20 extraction and processing property’ means property of a
21 character subject to the allowance for depreciation—

22 “(1) which is used in the United States solely
23 to extract and process oil shale using in-situ conver-
24 sion technology,

1 “(2) the original use of which commences with
2 the taxpayer after the date of the enactment of this
3 section,

4 “(3) which is acquired by the taxpayer by pur-
5 chase (as defined in section 179(d)) after the date
6 of the enactment of this subsection, but only if no
7 written binding contract for the acquisition was in
8 effect on or before the date of the enactment of this
9 subsection, and

10 “(4) which is placed in service by the taxpayer
11 before January 1, 2019.

12 “(c) SPECIAL RULE FOR CERTAIN SUBSIDIZED
13 PROPERTY.—For purposes of this section, rules similar to
14 the rules of section 48(a)(4) shall apply.

15 “(d) DENIAL OF DOUBLE BENEFIT.—A deduction or
16 credit shall not be allowed under any other provision of
17 this chapter for the cost taken into account under sub-
18 section (a).”.

19 (2) CREDIT TREATED AS PART OF INVESTMENT
20 CREDIT.—Section 46 is amended by striking “and”
21 at the end of paragraph (4), by striking the period
22 at the end of paragraph (5) and inserting “, and”,
23 and by adding at the end the following new para-
24 graph:

1 “(6) the oil shale extraction and processing
2 credit.”.

3 (3) CONFORMING AMENDMENTS.—

4 (A) Section 49(a)(1)(C) is amended by
5 striking “and” at the end of clause (iv), by
6 striking the period at the end of clause (v) and
7 inserting “, and”, and by adding at the end the
8 following new clause:

9 “(vi) the basis of any qualified oil
10 shale extraction and processing property.”.

11 (B) The table of sections for subpart E of
12 part IV of subchapter A of chapter 1 is amend-
13 ed by inserting after the item relating to section
14 48B the following new item:

 “Sec. 48C. Oil shale extraction and processing facility.”.

15 (b) EXPENSING OIL SHALE EXTRACTION AND PROC-
16 ESSING PROPERTY.—Part VI of subchapter B of chapter
17 1 of such Code is amended by inserting after section 179F
18 the following new section:

19 **“SEC. 179G. ELECTION TO EXPENSE CERTAIN OIL SHALE**
20 **EXTRACTION AND PROCESSING PROPERTY.**

21 “(a) TREATMENT AS EXPENSES.—A taxpayer may
22 elect to treat the cost of any qualified oil shale extraction
23 and processing property as an expense which is not
24 chargeable to capital account. Any cost so treated shall

1 be allowed as a deduction for the taxable year in which
2 the expense is incurred.

3 “(b) ELECTION.—

4 “(1) IN GENERAL.—An election under this sec-
5 tion for any taxable year shall be made on the tax-
6 payer’s return of the tax imposed by this chapter for
7 the taxable year. Such election shall be made in such
8 manner as the Secretary may by regulations pre-
9 scribe.

10 “(2) ELECTION IRREVOCABLE.—Any election
11 made under this section may not be revoked except
12 with the consent of the Secretary.

13 “(c) QUALIFIED OIL SHALE EXTRACTION AND PROC-
14 ESSING PROPERTY.—For purposes of this section—

15 “(1) The term ‘qualified oil shale extraction
16 and processing property’ means any property located
17 in the United States—

18 “(A) the original use of which commences
19 with the taxpayer and which original use is
20 solely to extract or process oil shale, and

21 “(B) which is placed in service by the tax-
22 payer after the date of the enactment of this
23 section and before January 1, 2019.

24 “(d) ELECTION TO ALLOCATE DEDUCTION TO COOP-
25 ERATIVE OWNER.—If—

1 “(1) a taxpayer to which subsection (a) applies
2 is an organization to which part I of subchapter T
3 applies, and

4 “(2) one or more persons directly holding an
5 ownership interest in the taxpayer are organizations
6 to which part I of subchapter T apply,
7 the taxpayer may elect to allocate all or a portion of the
8 deduction allowable under subsection (a) to such persons.
9 Such allocation shall be equal to the person’s ratable share
10 of the total amount allocated, determined on the basis of
11 the person’s ownership interest in the taxpayer. The tax-
12 able income of the taxpayer shall not be reduced under
13 section 1382 by reason of any amount to which the pre-
14 ceding sentence applies.

15 “(e) BASIS REDUCTION.—

16 “(1) IN GENERAL.—For purposes of this title,
17 if a deduction is allowed under this section with re-
18 spect to any qualified oil shale extraction and proc-
19 essing property, the basis of such property shall be
20 reduced by the amount of the deduction so allowed.

21 “(2) ORDINARY INCOME RECAPTURE.—For
22 purposes of section 1245, the amount of the deduc-
23 tion allowable under subsection (a) with respect to
24 any property which is of a character subject to the

1 allowance for depreciation shall be treated as a de-
2 duction allowed for depreciation under section 167.

3 “(f) APPLICATION WITH OTHER DEDUCTIONS AND
4 CREDITS.—

5 “(1) OTHER DEDUCTIONS.—No deduction shall
6 be allowed under any other provision of this chapter
7 with respect to any expenditure with respect to
8 which a deduction is allowed under subsection (a) to
9 the taxpayer.

10 “(2) CREDITS.—No credit shall be allowed
11 under section 38 with respect to any amount for
12 which a deduction is allowed under subsection (a).

13 “(g) REPORTING.—No deduction shall be allowed
14 under subsection (a) to any taxpayer for any taxable year
15 unless such taxpayer files with the Secretary a report con-
16 taining such information with respect to the operation of
17 the property of the taxpayer as the Secretary shall re-
18 quire.”.

19 (c) CONFORMING AMENDMENTS.—

20 (1) Section 1016(a) of such Code is amended
21 by striking “and” at the end of paragraph (37), by
22 striking the period at the end of paragraph (38) and
23 inserting “, and”, and by adding at the end the fol-
24 lowing new paragraph:

1 “(39) to the extent provided in section
2 179G(e)(1).”.

3 (2) Section 1245(a) of such Code is amended
4 by inserting “179G,” after “179F,” both places it
5 appears in paragraphs (2)(C) and (3)(C).

6 (3) Section 263(a)(1) of such Code is amended
7 by striking “or” at the end of subparagraph (L), by
8 striking the period at the end of subparagraph (M)
9 and inserting “, or”, and by inserting after subpara-
10 graph (M) the following new subparagraph:

11 “(N) expenditures for which a deduction is
12 allowed under section 179G.”.

13 (4) Section 312(k)(3)(B) of such Code is
14 amended by striking “or 179F” each place it ap-
15 pears in the heading and text and inserting “179F,
16 or 179G”.

17 (5) The table of sections for part VI of sub-
18 chapter B of chapter 1 of such Code is amended by
19 inserting after the item relating to section 179F the
20 following new item:

 “Sec. 179G. Election to expense certain oil shale extraction and processing
 property.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to properties placed in service after
23 the date of the enactment of this Act.

1 **TITLE III—OIL AND GAS**
2 **DRILLING**
3 **Subtitle A—Arctic National Wildlife**
4 **Refuge**

5 **SEC. 301. DEFINITIONS.**

6 In this subtitle:

7 (1) **COASTAL PLAIN.**—The term “Coastal
8 Plain” means that area described in appendix I to
9 part 37 of title 50, Code of Federal Regulations.

10 (2) **SECRETARY.**—The term “Secretary”, except
11 as otherwise provided, means the Secretary of the
12 Interior or the Secretary’s designee.

13 **SEC. 302. LEASING PROGRAM FOR LANDS WITHIN THE**
14 **COASTAL PLAIN.**

15 (a) **IN GENERAL.**—The Secretary shall take such ac-
16 tions as are necessary—

17 (1) to establish and implement, in accordance
18 with this subtitle and acting through the Director of
19 the Bureau of Land Management in consultation
20 with the Director of the United States Fish and
21 Wildlife Service, a competitive oil and gas leasing
22 program that will result in an environmentally sound
23 program for the exploration, development, and pro-
24 duction of the oil and gas resources of the Coastal
25 Plain; and

1 (2) to administer the provisions of this subtitle
2 through regulations, lease terms, conditions, restric-
3 tions, prohibitions, stipulations, and other provisions
4 that ensure the oil and gas exploration, development,
5 and production activities on the Coastal Plain will
6 result in no significant adverse effect on fish and
7 wildlife, their habitat, subsistence resources, and the
8 environment, including, in furtherance of this goal,
9 by requiring the application of the best commercially
10 available technology for oil and gas exploration, de-
11 velopment, and production to all exploration, devel-
12 opment, and production operations under this sub-
13 title in a manner that ensures the receipt of fair
14 market value by the public for the mineral resources
15 to be leased.

16 (b) REPEAL.—

17 (1) REPEAL.—Section 1003 of the Alaska Na-
18 tional Interest Lands Conservation Act of 1980 (16
19 U.S.C. 3143) is repealed.

20 (2) CONFORMING AMENDMENT.—The table of
21 contents in section 1 of such Act is amended by
22 striking the item relating to section 1003.

23 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
24 TAIN OTHER LAWS.—

1 (1) COMPATIBILITY.—For purposes of the Na-
2 tional Wildlife Refuge System Administration Act of
3 1966 (16 U.S.C. 668dd et seq.), the oil and gas
4 leasing program and activities authorized by this
5 section in the Coastal Plain are deemed to be com-
6 patible with the purposes for which the Arctic Na-
7 tional Wildlife Refuge was established, and no fur-
8 ther findings or decisions are required to implement
9 this determination.

10 (2) ADEQUACY OF THE DEPARTMENT OF THE
11 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT
12 STATEMENT.—The “Final Legislative Environ-
13 mental Impact Statement” (April 1987) on the
14 Coastal Plain prepared pursuant to section 1002 of
15 the Alaska National Interest Lands Conservation
16 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)
17 of the National Environmental Policy Act of 1969
18 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-
19 quirements under the National Environmental Policy
20 Act of 1969 that apply with respect to prelease ac-
21 tivities, including actions authorized to be taken by
22 the Secretary to develop and promulgate the regula-
23 tions for the establishment of a leasing program au-
24 thorized by this subtitle before the conduct of the
25 first lease sale.

1 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
2 TIONS.—Before conducting the first lease sale under
3 this subtitle, the Secretary shall prepare an environ-
4 mental impact statement under the National Envi-
5 ronmental Policy Act of 1969 with respect to the ac-
6 tions authorized by this subtitle that are not re-
7 ferred to in paragraph (2). Notwithstanding any
8 other law, the Secretary is not required to identify
9 nonleasing alternative courses of action or to analyze
10 the environmental effects of such courses of action.
11 The Secretary shall only identify a preferred action
12 for such leasing and a single leasing alternative, and
13 analyze the environmental effects and potential miti-
14 gation measures for those two alternatives. The
15 identification of the preferred action and related
16 analysis for the first lease sale under this subtitle
17 shall be completed within 18 months after the date
18 of enactment of this subtitle. The Secretary shall
19 only consider public comments that specifically ad-
20 dress the Secretary’s preferred action and that are
21 filed within 20 days after publication of an environ-
22 mental analysis. Notwithstanding any other law,
23 compliance with this paragraph is deemed to satisfy
24 all requirements for the analysis and consideration

1 of the environmental effects of proposed leasing
2 under this subtitle.

3 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
4 ITY.—Nothing in this subtitle shall be considered to ex-
5 pand or limit State and local regulatory authority.

6 (e) SPECIAL AREAS.—

7 (1) IN GENERAL.—The Secretary, after con-
8 sultation with the State of Alaska, the city of
9 Kaktovik, and the North Slope Borough, may des-
10 ignate up to a total of 45,000 acres of the Coastal
11 Plain as a Special Area if the Secretary determines
12 that the Special Area is of such unique character
13 and interest so as to require special management
14 and regulatory protection. The Secretary shall des-
15 ignate as such a Special Area the Sadlerochit Spring
16 area, comprising approximately 4,000 acres.

17 (2) MANAGEMENT.—Each such Special Area
18 shall be managed so as to protect and preserve the
19 area's unique and diverse character including its
20 fish, wildlife, and subsistence resource values.

21 (3) EXCLUSION FROM LEASING OR SURFACE
22 OCCUPANCY.—The Secretary may exclude any Spe-
23 cial Area from leasing. If the Secretary leases a Spe-
24 cial Area, or any part thereof, for purposes of oil
25 and gas exploration, development, production, and

1 related activities, there shall be no surface occu-
2 pancy of the lands comprising the Special Area.

3 (4) DIRECTIONAL DRILLING.—Notwithstanding
4 the other provisions of this subsection, the Secretary
5 may lease all or a portion of a Special Area under
6 terms that permit the use of horizontal drilling tech-
7 nology from sites on leases located outside the Spe-
8 cial Area.

9 (f) LIMITATION ON CLOSED AREAS.—The Sec-
10 retary's sole authority to close lands within the Coastal
11 Plain to oil and gas leasing and to exploration, develop-
12 ment, and production is that set forth in this subtitle.

13 (g) REGULATIONS.—

14 (1) IN GENERAL.—The Secretary shall pre-
15 scribe such regulations as may be necessary to carry
16 out this subtitle, including rules and regulations re-
17 lating to protection of the fish and wildlife, their
18 habitat, subsistence resources, and environment of
19 the Coastal Plain, by no later than 15 months after
20 the date of enactment of this subtitle.

21 (2) REVISION OF REGULATIONS.—The Sec-
22 retary shall periodically review and, if appropriate,
23 revise the rules and regulations issued under sub-
24 section (a) to reflect any significant biological, envi-

1 ronmental, or engineering data that come to the Sec-
2 retary's attention.

3 **SEC. 303. LEASE SALES.**

4 (a) **IN GENERAL.**—Lands may be leased pursuant to
5 this subtitle to any person qualified to obtain a lease for
6 deposits of oil and gas under the Mineral Leasing Act (30
7 U.S.C. 181 et seq.).

8 (b) **PROCEDURES.**—The Secretary shall, by regula-
9 tion, establish procedures for—

10 (1) receipt and consideration of sealed nomina-
11 tions for any area in the Coastal Plain for inclusion
12 in, or exclusion (as provided in subsection (c)) from,
13 a lease sale;

14 (2) the holding of lease sales after such nomina-
15 tion process; and

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

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

21 (d) **ACREAGE MINIMUM IN FIRST SALE.**—In the first
22 lease sale under this subtitle, the Secretary shall offer for
23 lease those tracts the Secretary considers to have the
24 greatest potential for the discovery of hydrocarbons, tak-

1 ing into consideration nominations received pursuant to
2 subsection (b)(1), but in no case less than 200,000 acres.

3 (e) **TIMING OF LEASE SALES.**—The Secretary
4 shall—

5 (1) conduct the first lease sale under this sub-
6 title within 22 months after the date of the enact-
7 ment of this subtitle; and

8 (2) conduct additional sales so long as sufficient
9 interest in development exists to warrant, in the Sec-
10 retary's judgment, the conduct of such sales.

11 **SEC. 304. GRANT OF LEASES BY THE SECRETARY.**

12 (a) **IN GENERAL.**—The Secretary may grant to the
13 highest responsible qualified bidder in a lease sale con-
14 ducted pursuant to section 303 any lands to be leased on
15 the Coastal Plain upon payment by the lessee of such
16 bonus as may be accepted by the Secretary.

17 (b) **SUBSEQUENT TRANSFERS.**—No lease issued
18 under this subtitle may be sold, exchanged, assigned, sub-
19 let, or otherwise transferred except with the approval of
20 the Secretary. Prior to any such approval the Secretary
21 shall consult with, and give due consideration to the views
22 of, the Attorney General.

23 **SEC. 305. LEASE TERMS AND CONDITIONS.**

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

1 (1) provide for the payment of a royalty of not
2 less than 12½ percent in amount or value of the
3 production removed or sold from the lease, as deter-
4 mined by the Secretary under the regulations appli-
5 cable to other Federal oil and gas leases;

6 (2) provide that the Secretary may close, on a
7 seasonal basis, portions of the Coastal Plain to ex-
8 ploratory drilling activities as necessary to protect
9 caribou calving areas and other species of fish and
10 wildlife;

11 (3) require that the lessee of lands within the
12 Coastal Plain shall be fully responsible and liable for
13 the reclamation of lands within the Coastal Plain
14 and any other Federal lands that are adversely af-
15 fected in connection with exploration, development,
16 production, or transportation activities conducted
17 under the lease and within the Coastal Plain by the
18 lessee or by any of the subcontractors or agents of
19 the lessee;

20 (4) provide that the lessee may not delegate or
21 convey, by contract or otherwise, the reclamation re-
22 sponsibility and liability to another person without
23 the express written approval of the Secretary;

24 (5) provide that the standard of reclamation for
25 lands required to be reclaimed under this subtitle

1 shall be, as nearly as practicable, a condition capable
2 of supporting the uses which the lands were capable
3 of supporting prior to any exploration, development,
4 or production activities, or upon application by the
5 lessee, to a higher or better use as approved by the
6 Secretary;

7 (6) contain terms and conditions relating to
8 protection of fish and wildlife, their habitat, subsist-
9 ence resources, and the environment as required
10 pursuant to section 302(a)(2);

11 (7) provide that the lessee, its agents, and its
12 contractors use best efforts to provide a fair share,
13 as determined by the level of obligation previously
14 agreed to in the 1974 agreement implementing sec-
15 tion 29 of the Federal Agreement and Grant of
16 Right of Way for the Operation of the Trans-Alaska
17 Pipeline, of employment and contracting for Alaska
18 Natives and Alaska Native Corporations from
19 throughout the State;

20 (8) prohibit the export of oil produced under
21 the lease; and

22 (9) contain such other provisions as the Sec-
23 retary determines necessary to ensure compliance
24 with the provisions of this subtitle and the regula-
25 tions issued under this subtitle.

1 (b) PROJECT LABOR AGREEMENTS.—The Secretary,
2 as a term and condition of each lease under this subtitle
3 and in recognizing the Government’s proprietary interest
4 in labor stability and in the ability of construction labor
5 and management to meet the particular needs and condi-
6 tions of projects to be developed under the leases issued
7 pursuant to this subtitle and the special concerns of the
8 parties to such leases, shall require that the lessee and
9 its agents and contractors negotiate to obtain a project
10 labor agreement for the employment of laborers and me-
11 chanics on production, maintenance, and construction
12 under the lease.

13 **SEC. 306. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

14 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD
15 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—
16 The Secretary shall, consistent with the requirements of
17 section 302, administer the provisions of this subtitle
18 through regulations, lease terms, conditions, restrictions,
19 prohibitions, stipulations, and other provisions that—

20 (1) ensure the oil and gas exploration, develop-
21 ment, and production activities on the Coastal Plain
22 will result in no significant adverse effect on fish
23 and wildlife, their habitat, and the environment;

24 (2) require the application of the best commer-
25 cially available technology for oil and gas explo-

1 ration, development, and production on all new ex-
2 ploration, development, and production operations;
3 and

4 (3) ensure that the maximum amount of sur-
5 face acreage covered by production and support fa-
6 cilities, including airstrips and any areas covered by
7 gravel berms or piers for support of pipelines, does
8 not exceed 2,000 acres on the Coastal Plain.

9 (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—

10 The Secretary shall also require, with respect to any pro-
11 posed drilling and related activities, that—

12 (1) a site-specific analysis be made of the prob-
13 able effects, if any, that the drilling or related activi-
14 ties will have on fish and wildlife, their habitat, sub-
15 sistence resources, and the environment;

16 (2) a plan be implemented to avoid, minimize,
17 and mitigate (in that order and to the extent prac-
18 ticable) any significant adverse effect identified
19 under paragraph (1); and

20 (3) the development of the plan shall occur
21 after consultation with the agency or agencies hav-
22 ing jurisdiction over matters mitigated by the plan.

23 (c) REGULATIONS TO PROTECT COASTAL PLAIN
24 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
25 AND THE ENVIRONMENT.—Before implementing the leas-

1 ing program authorized by this subtitle, the Secretary
2 shall prepare and promulgate regulations, lease terms,
3 conditions, restrictions, prohibitions, stipulations, and
4 other measures designed to ensure that the activities un-
5 dertaken on the Coastal Plain under this subtitle are con-
6 ducted in a manner consistent with the purposes and envi-
7 ronmental requirements of this subtitle.

8 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
9 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
10 proposed regulations, lease terms, conditions, restrictions,
11 prohibitions, and stipulations for the leasing program
12 under this subtitle shall require compliance with all appli-
13 cable provisions of Federal and State environmental law,
14 and shall also require the following:

15 (1) Standards at least as effective as the safety
16 and environmental mitigation measures set forth in
17 items 1 through 29 at pages 167 through 169 of the
18 “Final Legislative Environmental Impact State-
19 ment” (April 1987) on the Coastal Plain.

20 (2) Seasonal limitations on exploration, develop-
21 ment, and related activities, where necessary, to
22 avoid significant adverse effects during periods of
23 concentrated fish and wildlife breeding, denning,
24 nesting, spawning, and migration.

1 (3) That exploration activities, except for sur-
2 face geological studies, be limited to the period be-
3 tween approximately November 1 and May 1 each
4 year and that exploration activities shall be sup-
5 ported, if necessary, by ice roads, winter trails with
6 adequate snow cover, ice pads, ice airstrips, and air
7 transport methods, except that such exploration ac-
8 tivities may occur at other times if the Secretary
9 finds that such exploration will have no significant
10 adverse effect on the fish and wildlife, their habitat,
11 and the environment of the Coastal Plain.

12 (4) Design safety and construction standards
13 for all pipelines and any access and service roads,
14 that—

15 (A) minimize, to the maximum extent pos-
16 sible, adverse effects upon the passage of mi-
17 gratory species such as caribou; and

18 (B) minimize adverse effects upon the flow
19 of surface water by requiring the use of cul-
20 verts, bridges, and other structural devices.

21 (5) Prohibitions on general public access and
22 use on all pipeline access and service roads.

23 (6) Stringent reclamation and rehabilitation re-
24 quirements, consistent with the standards set forth
25 in this subtitle, requiring the removal from the

1 Coastal Plain of all oil and gas development and
2 production facilities, structures, and equipment upon
3 completion of oil and gas production operations, ex-
4 cept that the Secretary may exempt from the re-
5 quirements of this paragraph those facilities, struc-
6 tures, or equipment that the Secretary determines
7 would assist in the management of the Arctic Na-
8 tional Wildlife Refuge and that are donated to the
9 United States for that purpose.

10 (7) Appropriate prohibitions or restrictions on
11 access by all modes of transportation.

12 (8) Appropriate prohibitions or restrictions on
13 sand and gravel extraction.

14 (9) Consolidation of facility siting.

15 (10) Appropriate prohibitions or restrictions on
16 use of explosives.

17 (11) Avoidance, to the extent practicable, of
18 springs, streams, and river system; the protection of
19 natural surface drainage patterns, wetlands, and ri-
20 parian habitats; and the regulation of methods or
21 techniques for developing or transporting adequate
22 supplies of water for exploratory drilling.

23 (12) Avoidance or minimization of air traffic-re-
24 lated disturbance to fish and wildlife.

1 (13) Treatment and disposal of hazardous and
2 toxic wastes, solid wastes, reserve pit fluids, drilling
3 muds and cuttings, and domestic wastewater, includ-
4 ing an annual waste management report, a haz-
5 arduous materials tracking system, and a prohibition
6 on chlorinated solvents, in accordance with applica-
7 ble Federal and State environmental law.

8 (14) Fuel storage and oil spill contingency plan-
9 ning.

10 (15) Research, monitoring, and reporting re-
11 quirements.

12 (16) Field crew environmental briefings.

13 (17) Avoidance of significant adverse effects
14 upon subsistence hunting, fishing, and trapping by
15 subsistence users.

16 (18) Compliance with applicable air and water
17 quality standards.

18 (19) Appropriate seasonal and safety zone des-
19 ignations around well sites, within which subsistence
20 hunting and trapping shall be limited.

21 (20) Reasonable stipulations for protection of
22 cultural and archaeological resources.

23 (21) All other protective environmental stipula-
24 tions, restrictions, terms, and conditions deemed
25 necessary by the Secretary.

1 (e) CONSIDERATIONS.—In preparing and promul-
2 gating regulations, lease terms, conditions, restrictions,
3 prohibitions, and stipulations under this section, the Sec-
4 retary shall consider the following:

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

10 (2) The environmental protection standards
11 that governed the initial Coastal Plain seismic explo-
12 ration program under parts 37.31 to 37.33 of title
13 50, Code of Federal Regulations.

14 (3) The land use stipulations for exploratory
15 drilling on the KIC–ASRC private lands that are set
16 forth in appendix 2 of the August 9, 1983, agree-
17 ment between Arctic Slope Regional Corporation and
18 the United States.

19 (f) FACILITY CONSOLIDATION PLANNING.—

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

1 (2) OBJECTIVES.—The plan shall have the fol-
2 lowing objectives:

3 (A) Avoiding unnecessary duplication of fa-
4 cilities and activities.

5 (B) Encouraging consolidation of common
6 facilities and activities.

7 (C) Locating or confining facilities and ac-
8 tivities to areas that will minimize impact on
9 fish and wildlife, their habitat, and the environ-
10 ment.

11 (D) Utilizing existing facilities wherever
12 practicable.

13 (E) Enhancing compatibility between wild-
14 life values and development activities.

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

17 (1) manage public lands in the Coastal Plain
18 subject to subsections (a) and (b) of section 811 of
19 the Alaska National Interest Lands Conservation
20 Act (16 U.S.C. 3121); and

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

24 **SEC. 307. EXPEDITED JUDICIAL REVIEW.**

25 (a) FILING OF COMPLAINT.—

1 (1) DEADLINE.—Subject to paragraph (2), any
2 complaint seeking judicial review of any provision of
3 this subtitle or any action of the Secretary under
4 this subtitle shall be filed—

5 (A) except as provided in subparagraph
6 (B), within the 90-day period beginning on the
7 date of the action being challenged; or

8 (B) in the case of a complaint based solely
9 on grounds arising after such period, within 90
10 days after the complainant knew or reasonably
11 should have known of the grounds for the com-
12 plaint.

13 (2) VENUE.—Any complaint seeking judicial re-
14 view of any provision of this subtitle or any action
15 of the Secretary under this subtitle may be filed only
16 in the United States Court of Appeals for the Dis-
17 trict of Columbia.

18 (3) LIMITATION ON SCOPE OF CERTAIN RE-
19 VIEW.—Judicial review of a Secretarial decision to
20 conduct a lease sale under this subtitle, including
21 the environmental analysis thereof, shall be limited
22 to whether the Secretary has complied with the
23 terms of this subtitle and shall be based upon the
24 administrative record of that decision. The Sec-
25 retary's identification of a preferred course of action

1 to enable leasing to proceed and the Secretary's
2 analysis of environmental effects under this subtitle
3 shall be presumed to be correct unless shown other-
4 wise by clear and convincing evidence to the con-
5 trary.

6 (b) LIMITATION ON OTHER REVIEW.—Actions of the
7 Secretary with respect to which review could have been
8 obtained under this section shall not be subject to judicial
9 review in any civil or criminal proceeding for enforcement.

10 **SEC. 308. FEDERAL AND STATE DISTRIBUTION OF REVE-**
11 **NUES.**

12 (a) IN GENERAL.—Notwithstanding any other provi-
13 sion of law, of the amount of adjusted bonus, rental, and
14 royalty revenues from Federal oil and gas leasing and op-
15 erations authorized under this subtitle—

16 (1) 50 percent shall be paid to the State of
17 Alaska; and

18 (2) except as provided in section 311(d), the
19 balance shall be deposited into the Treasury as mis-
20 cellaneous receipts.

21 (b) PAYMENTS TO ALASKA.—Payments to the State
22 of Alaska under this section shall be made semiannually.

1 **SEC. 309. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

2 (a) IN GENERAL.—The Secretary shall issue rights-
3 of-way and easements across the Coastal Plain for the
4 transportation of oil and gas—

5 (1) except as provided in paragraph (2), under
6 section 28 of the Mineral Leasing Act (30 U.S.C.
7 185), without regard to title XI of the Alaska Na-
8 tional Interest Lands Conservation Act (30 U.S.C.
9 3161 et seq.); and

10 (2) under title XI of the Alaska National Inter-
11 est Lands Conservation Act (30 U.S.C. 3161 et
12 seq.), for access authorized by sections 1110 and
13 1111 of that Act (16 U.S.C. 3170 and 3171).

14 (b) TERMS AND CONDITIONS.—The Secretary shall
15 include in any right-of-way or easement issued under sub-
16 section (a) such terms and conditions as may be necessary
17 to ensure that transportation of oil and gas does not result
18 in a significant adverse effect on the fish and wildlife, sub-
19 sistence resources, their habitat, and the environment of
20 the Coastal Plain, including requirements that facilities be
21 sited or designed so as to avoid unnecessary duplication
22 of roads and pipelines.

23 (c) REGULATIONS.—The Secretary shall include in
24 regulations under section 302(g) provisions granting
25 rights-of-way and easements described in subsection (a)
26 of this section.

1 **SEC. 310. CONVEYANCE.**

2 In order to maximize Federal revenues by removing
3 clouds on title to lands and clarifying land ownership pat-
4 terns within the Coastal Plain, the Secretary, notwith-
5 standing the provisions of section 1302(h)(2) of the Alas-
6 ka National Interest Lands Conservation Act (16 U.S.C.
7 3192(h)(2)), shall convey—

8 (1) to the Kaktovik Inupiat Corporation the
9 surface estate of the lands described in paragraph 1
10 of Public Land Order 6959, to the extent necessary
11 to fulfill the Corporation's entitlement under sec-
12 tions 12 and 14 of the Alaska Native Claims Settle-
13 ment Act (43 U.S.C. 1611 and 1613) in accordance
14 with the terms and conditions of the Agreement be-
15 tween the Department of the Interior, the United
16 States Fish and Wildlife Service, the Bureau of
17 Land Management, and the Kaktovik Inupiat Cor-
18 poration effective January 22, 1993; and

19 (2) to the Arctic Slope Regional Corporation
20 the remaining subsurface estate to which it is enti-
21 tled pursuant to the August 9, 1983, agreement be-
22 tween the Arctic Slope Regional Corporation and the
23 United States of America.

24 **SEC. 311. LOCAL GOVERNMENT IMPACT AID AND COMMU-
25 NITY SERVICE ASSISTANCE.**

26 (a) **FINANCIAL ASSISTANCE AUTHORIZED.**—

1 (1) IN GENERAL.—The Secretary may use
2 amounts available from the Coastal Plain Local Gov-
3 ernment Impact Aid Assistance Fund established by
4 subsection (d) to provide timely financial assistance
5 to entities that are eligible under paragraph (2) and
6 that are directly impacted by the exploration for or
7 production of oil and gas on the Coastal Plain under
8 this subtitle.

9 (2) ELIGIBLE ENTITIES.—The North Slope
10 Borough, the City of Kaktovik, and any other bor-
11 ough, municipal subdivision, village, or other com-
12 munity in the State of Alaska that is directly im-
13 pacted by exploration for, or the production of, oil
14 or gas on the Coastal Plain under this subtitle, as
15 determined by the Secretary, shall be eligible for fi-
16 nancial assistance under this section.

17 (b) USE OF ASSISTANCE.—Financial assistance
18 under this section may be used only for—

19 (1) planning for mitigation of the potential ef-
20 fects of oil and gas exploration and development on
21 environmental, social, cultural, recreational, and sub-
22 sistence values;

23 (2) implementing mitigation plans and main-
24 taining mitigation projects;

1 (3) developing, carrying out, and maintaining
2 projects and programs that provide new or expanded
3 public facilities and services to address needs and
4 problems associated with such effects, including fire-
5 fighting, police, water, waste treatment, medivac,
6 and medical services; and

7 (4) establishment of a coordination office, by
8 the North Slope Borough, in the City of Kaktovik,
9 which shall—

10 (A) coordinate with and advise developers
11 on local conditions, impact, and history of the
12 areas utilized for development; and

13 (B) provide to the Committee on Resources
14 of the House of Representatives and the Com-
15 mittee on Energy and Natural Resources of the
16 Senate an annual report on the status of co-
17 ordination between developers and the commu-
18 nities affected by development.

19 (c) APPLICATION.—

20 (1) IN GENERAL.—Any community that is eligi-
21 ble for assistance under this section may submit an
22 application for such assistance to the Secretary, in
23 such form and under such procedures as the Sec-
24 retary may prescribe by regulation.

1 (2) NORTH SLOPE BOROUGH COMMUNITIES.—A
2 community located in the North Slope Borough may
3 apply for assistance under this section either directly
4 to the Secretary or through the North Slope Bor-
5 ough.

6 (3) APPLICATION ASSISTANCE.—The Secretary
7 shall work closely with and assist the North Slope
8 Borough and other communities eligible for assist-
9 ance under this section in developing and submitting
10 applications for assistance under this section.

11 (d) ESTABLISHMENT OF FUND.—

12 (1) IN GENERAL.—There is established in the
13 Treasury the Coastal Plain Local Government Im-
14 pact Aid Assistance Fund.

15 (2) USE.—Amounts in the fund may be used
16 only for providing financial assistance under this
17 section.

18 (3) DEPOSITS.—Subject to paragraph (4), there
19 shall be deposited into the fund amounts received by
20 the United States as revenues derived from rents,
21 bonuses, and royalties from Federal leases and lease
22 sales authorized under this subtitle.

23 (4) LIMITATION ON DEPOSITS.—The total
24 amount in the fund may not exceed \$11,000,000.

1 (5) INVESTMENT OF BALANCES.—The Sec-
2 retary of the Treasury shall invest amounts in the
3 fund in interest bearing government securities.

4 (e) AUTHORIZATION OF APPROPRIATIONS.—To pro-
5 vide financial assistance under this section there is author-
6 ized to be appropriated to the Secretary from the Coastal
7 Plain Local Government Impact Aid Assistance Fund
8 \$5,000,000 for each fiscal year.

9 **Subtitle B—Off Shore Drilling for**
10 **Oil and Gas**

11 **SEC. 321. TERMINATION OF PROHIBITIONS ON EXPENDI-**
12 **TURES FOR, AND WITHDRAWALS FROM, OFF-**
13 **SHORE LEASING.**

14 (a) PROHIBITIONS ON EXPENDITURES.—All provi-
15 sions of Federal law that prohibit the expenditure of ap-
16 propriated funds to conduct oil or natural gas leasing and
17 preleasing activities for any area of the Outer Continental
18 Shelf shall have no force or effect with respect to such
19 activities.

20 (b) REVOCATION WITHDRAWALS.—All withdrawals
21 of Federal submerged lands of the Outer Continental Shelf
22 from leasing, including withdrawals by the President
23 under the authority of section 12(a) of the Outer Conti-
24 nental Shelf Lands Act (43 U.S.C. 1341(a)), are hereby
25 revoked and are no longer in effect with respect to the

1 leasing of areas for exploration for, and development and
2 production of, oil and natural gas.

3 **SEC. 322. OUTER CONTINENTAL SHELF LEASING PROGRAM.**

4 The Outer Continental Shelf Lands Act (43 U.S.C.
5 1331 et seq.) is amended by inserting after section 9 the
6 following:

7 **“SEC. 10. MORATORIA AREA AND STATE APPROVAL RE-**
8 **QUIREMENT WITH RESPECT TO OIL AND NAT-**
9 **URAL GAS LEASING.**

10 “(a) **BUFFER ZONE.**—The Secretary may not grant
11 any oil or natural gas lease for any area of the outer Con-
12 tinental Shelf that is located within 25 miles of the coast-
13 line of a State.

14 “(b) **STATE APPROVAL REQUIREMENT.**—

15 “(1) **IN GENERAL.**—The Secretary may not
16 issue any lease authorizing exploration for, or devel-
17 opment of, natural gas in any area of the outer Con-
18 tinental Shelf that is located within 50 miles of the
19 coastline of a State unless the State has enacted a
20 law approving of the issuance of such leases by the
21 Secretary.

22 “(2) **STATE APPROVAL PERMANENT.**—Repeal of
23 such a law by a State shall have no effect for pur-
24 poses of paragraph (1).

25 “(c) **STATE DISAPPROVAL AUTHORITY.**—

1 “(1) IN GENERAL.—The Secretary may not
2 issue any lease authorizing exploration for, or devel-
3 opment of, oil or natural gas in any area of the
4 outer Continental Shelf that is located more than 50
5 miles and less than 100 miles from the coastline of
6 a State if the State has enacted a law disapproving
7 of the issuance of such leases by the Secretary.

8 “(2) REQUIREMENTS FOR STATE LAW.—A law
9 enacted by a State for purposes of paragraph (1)—

10 “(A) shall have no force or effect for pur-
11 poses of paragraph (1) unless first enacted by
12 the State within the one-year period beginning
13 on the date of the enactment of the National
14 Environment and Energy Development Act; and

15 “(B) shall have no force or effect for pur-
16 poses of paragraph (1) after the end of the 2-
17 year period beginning on the date it first takes
18 effect, unless the State, in the 2-year period
19 preceding the application of the law for pur-
20 poses of paragraph (1), enacted legislation ex-
21 tending the effectiveness of the law.”.

22 **SEC. 323. SHARING OF REVENUES.**

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

1 (1) in paragraph (2) by striking “Notwith-
2 standing” and inserting “Except as provided in
3 paragraph (6), and notwithstanding”;

4 (2) by redesignating paragraphs (6) and (7) as
5 paragraphs (8) and (9); and

6 (3) by inserting after paragraph (5) the fol-
7 lowing:

8 “(6) BONUS BIDS AND ROYALTIES UNDER
9 QUALIFIED OIL AND GAS LEASES.—

10 “(A) NEW OIL AND GAS LEASES.—Of
11 amounts received by the United States as bonus
12 bids and royalties under any qualified oil or gas
13 lease on submerged lands that are located with-
14 in the seaward boundaries of a State estab-
15 lished under section 4(a)(2)(A)—

16 “(i) 37.5 percent shall be paid to the
17 States that are producing States with re-
18 spect to those submerged lands; and

19 “(ii) the remainder shall be trans-
20 ferred to the American-Made Energy Trust
21 Fund established by section 9511 of the
22 Internal Revenue Code of 1986.

23 “(B) LEASED TRACT THAT LIES PAR-
24 Tially WITHIN THE SEAWARD BOUNDARIES OF
25 A STATE.—In the case of a leased tract that lies

1 partially within the seaward boundaries of a
2 State, the amounts of bonus bids and royalties
3 from such tract that are subject to subpara-
4 graph (A) with respect to such State shall be a
5 percentage of the total amounts of bonus bids
6 and royalties from such tract that is equivalent
7 to the total percentage of surface acreage of the
8 tract that lies within such seaward boundaries.

9 “(C) USE OF PAYMENTS TO STATES.—

10 Amounts paid to a State under subparagraph
11 (A)(ii) shall be used by the State for one or
12 more of the following:

13 “(i) Education.

14 “(ii) Transportation.

15 “(iii) Reducing taxes.

16 “(iv) Coastal and environmental res-
17 toration.

18 “(v) Energy infrastructure and
19 projects.

20 “(vi) State seismic monitoring pro-
21 grams.

22 “(vii) Alternative energy development.

23 “(viii) Energy efficiency and conserva-
24 tion.

1 “(ix) Hurricane and natural disaster
2 insurance programs.

3 “(x) Any other purpose determined by
4 State law.

5 “(D) DEFINITIONS.—In this paragraph:

6 “(i) ADJACENT STATE.—The term
7 ‘adjacent State’ means, with respect to any
8 program, plan, lease sale, leased tract or
9 other activity, proposed, conducted, or ap-
10 proved pursuant to the provisions of this
11 Act, any State the laws of which are de-
12 clared, pursuant to section 4(a)(2), to be
13 the law of the United States for the por-
14 tion of the outer Continental Shelf on
15 which such program, plan, lease sale,
16 leased tract, or activity appertains or is, or
17 is proposed to be, conducted.

18 “(ii) ADJACENT ZONE.—The term
19 ‘adjacent zone’ means, with respect to any
20 program, plan, lease sale, leased tract, or
21 other activity, proposed, conducted, or ap-
22 proved pursuant to the provisions of this
23 Act, the portion of the outer Continental
24 Shelf for which the laws of a particular ad-
25 jacent State are declared, pursuant to sec-

1 tion 4(a)(2), to be the law of the United
2 States.

3 “(iii) PRODUCING STATE.—The term
4 ‘producing State’ means an Adjacent State
5 having an adjacent zone containing leased
6 tracts from which are derived bonus bids
7 and royalties under a lease under this Act.

8 “(iv) STATE.—The term ‘State’ in-
9 cludes Puerto Rico and the other Terri-
10 tories of the United States.

11 “(v) QUALIFIED GAS LEASE.—The
12 term ‘qualified oil or gas lease’ means a
13 lease under this Act granted after the date
14 of the enactment of the National Environ-
15 ment and Energy Development Act that
16 authorizes development and production of
17 oil or natural gas and associated conden-
18 sate.

19 “(E) APPLICATION.—This paragraph shall
20 apply to bonus bids and royalties received by
21 the United States after September 30, 2008.

22 “(7) MAINTENANCE OF EFFORT BY STATES.—
23 The Secretary of the Interior shall ensure that fi-
24 nancial assistance provided to a State for any pur-
25 pose with amounts made available under this sub-

1 section supplement, and do not replace, the amounts
2 expended by the State for that purpose before the
3 date of the enactment of this paragraph.”.

4 (b) ESTABLISHMENT OF STATE SEAWARD BOUND-
5 ARIES.—Section 4(a)(2)(A) of the Outer Continental Shelf
6 Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the
7 first sentence by striking “, and the President” and all
8 that follows through the end of the sentence and inserting
9 the following: “. Such extended lines are deemed to be as
10 indicated on the maps for each Outer Continental Shelf
11 region entitled ‘Alaska OCS Region State Adjacent Zone
12 and OCS Planning Areas’, ‘Pacific OCS Region State Ad-
13 jacent Zones and OCS Planning Areas’, ‘Gulf of Mexico
14 OCS Region State Adjacent Zones and OCS Planning
15 Areas’, and ‘Atlantic OCS Region State Adjacent Zones
16 and OCS Planning Areas’, all of which are dated Sep-
17 tember 2005 and on file in the Office of the Director, Min-
18 erals Management Service. The preceding sentence shall
19 not apply with respect to the treatment under section 105
20 of the Gulf of Mexico Energy Security Act of 2006 (title
21 I of division C of Public Law 109–432) of qualified outer
22 Continental Shelf revenues deposited and disbursed under
23 subsection (a)(2) of that section.”.

1 **Subtitle C—Prohibition on Export-**
2 **tation of Alaskan North Slope**
3 **Crude Oil**

4 **SEC. 331. PROHIBITION ON EXPORTATION OF ALASKAN**
5 **NORTH SLOPE CRUDE OIL.**

6 Effective 90 days after the date of the enactment of
7 this Act—

8 (1) no domestically produced crude oil trans-
9 ported by pipeline over right-of-way granted pursu-
10 ant to section 203 of the Trans-Alaska Pipeline Au-
11 thorization Act (43 U.S.C. 1652) may be exported
12 from the United States, or any commonwealth, terri-
13 tory, or possession of the United States; and

14 (2) subsections (s) and (u) of section 28 of the
15 Mineral Leasing Act of 1920 (30 U.S.C. 185(s) and
16 (u)), and section 7(d) of the Export Administration
17 Act of 1979 (50 U.S.C. App. 2406(d)), are repealed.

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