

112TH CONGRESS
1ST SESSION

H. R. 3710

To direct the Secretary of Interior and the Secretary of Commerce, acting through the National Oceanic and Atmospheric Administration, to initiate immediate action to create jobs in America, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2011

Ms. JACKSON LEE of Texas introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on Science, Space, and Technology and Transportation and Infrastructure, 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 direct the Secretary of Interior and the Secretary of Commerce, acting through the National Oceanic and Atmospheric Administration, to initiate immediate action to create jobs in America, 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 “Deficit Reduction, Job Creation, and Energy Security
6 Act”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Purposes.
- Sec. 4. Definitions.

TITLE I—DEFICIT REDUCTION ENERGY SECURITY

- Sec. 101. Deficit Reduction Acreage.
- Sec. 102. Deficit Reduction Energy Security Fund and Coastal and Ocean Sustainability and Health Fund.
- Sec. 103. Coastal and Ocean Disaster Grant Program.
- Sec. 104. National Grant Program for Coastal and Ocean Sustainability and Health.
- Sec. 105. Eligible uses of grants.
- Sec. 106. Grant application.

TITLE II—TIMELY ISSUANCE OF OFFSHORE OIL AND GAS LEASES

- Sec. 201. Reinstatement of offshore oil and gas leases.
- Sec. 202. Effective and efficient environmental review.

TITLE III—OFFICE OF ENERGY EMPLOYMENT AND TRAINING AND OFFICE OF MINORITY AND WOMEN INCLUSION

- Sec. 301. Establishment of Office of Energy Employment and Training.
- Sec. 302. Office of Minority and Women Inclusion.

TITLE IV—MISCELLANEOUS PROVISIONS

- Sec. 401. Reporting.

3 **SEC. 2. FINDINGS.**

4 The Congress finds and declares the following:

5 (1) The Nation is currently experiencing a na-
 6 tional employment emergency, and urgent action is
 7 needed to put Americans back to work in well-paid,
 8 long-term jobs.

9 (2) The Federal Government distributed over
 10 \$10,000,000,000 to Federal, State, and Indian ac-
 11 counts from energy production during fiscal year
 12 2009, primarily from oil and natural gas production.

1 (3) The domestic oil and natural gas industry
2 is responsible for approximately 9.2 million jobs.

3 (4) The approximately 43 million leased Outer
4 Continental Shelf acres currently account for about
5 15 percent of America's domestic natural gas pro-
6 duction and about 27 percent of America's domestic
7 oil production.

8 (5) The leasing of these domestic offshore areas
9 for oil and natural gas development provides signifi-
10 cant economic benefits to the Federal Government,
11 as well as to States and localities, through the cre-
12 ation and sustenance of jobs and domestic product.

13 (6) The Department of the Interior's Bureau of
14 Ocean Energy Management currently has authorities
15 under the Outer Continental Shelf Lands Act (43
16 U.S.C. 1331 et seq.) and related laws that can be
17 effectively utilized to create jobs and revitalize the
18 Nation's economy.

19 (7) Effective and expedited development of Gulf
20 of Mexico oil and natural gas resources could gen-
21 erate thousands of new jobs, many of which could be
22 created almost immediately.

23 (8) The coastal regions of the United States
24 have high productivity and contribute approximately

1 50 percent of the gross domestic product of the
2 United States.

3 (9) The economies and social structure of many
4 communities are dependent on resources from ocean,
5 coastal, and Great Lakes ecosystems.

6 (10) Supporting science, research, monitoring,
7 modeling, forecasting, exploration, and assessment
8 will continue to improve our understanding of the
9 ocean, coastal, and Great Lakes ecosystems as well
10 as their long-term economic sustainability.

11 (11) Safeguarding these ecosystems is crucial to
12 protecting the environment and waters of the United
13 States.

14 (12) The growth of our energy domestic re-
15 sources is vital to America's national security.

16 **SEC. 3. PURPOSES.**

17 The purposes of this Act are the following:

18 (1) Require the Secretary of the Interior to uti-
19 lize its authorities regarding the leasing and develop-
20 ment of offshore oil and gas resources to accelerate
21 job creation and economic revitalization to the fullest
22 extent practicable, taking into account the Depart-
23 ment of the Interior's responsibilities regarding con-
24 servation, safety, and protection of the environment.

1 (2) Promote expansion of domestic employment
2 opportunities.

3 (3) Respond to the Nation's increased need for
4 domestic oil and natural gas resources.

5 (4) Support the utilization of the Outer Conti-
6 nental Shelf for oil and gas production and trans-
7 mission.

8 (5) Protect, conserve, restore, and understand
9 the oceans, coasts, and Great Lakes of the United
10 States, ensuring present and future generations will
11 benefit from the full range of ecological, economic,
12 educational, social, cultural, nutritional, and rec-
13 reational opportunities and services those resources
14 are capable of providing.

15 (6) Confirm and ensure the validity of appro-
16 priate oil and gas leases issued under the Final
17 Outer Continental Shelf Oil and Gas Leasing Pro-
18 gram, 2007–2012.

19 (7) Ensure the continued leasing of Outer Con-
20 tinental Shelf areas pursuant to the Final Outer
21 Continental Shelf Oil and Gas Leasing Program,
22 2007–2012.

23 **SEC. 4. DEFINITIONS.**

24 In this Act:

1 (1) The term “Act” means the Outer Conti-
2 nental Shelf Lands Act (43 U.S.C. 1331 et seq.).

3 (2) The term “coastal State” has the same
4 meaning that the term “coastal state” has in the
5 Coastal Zone Management Act of 1972 (16 U.S.C.
6 1451 et seq.).

7 (3) The term “DRES Fund” means the Deficit
8 Reduction Energy Security Fund.

9 (4) The term “COSH Fund” means the Coastal
10 and Ocean Sustainability and Health Fund estab-
11 lished by section 102.

12 (5) The term “program” means a Final Outer
13 Continental Shelf Oil and Gas Leasing Program
14 issued under section 18 of the Act (43 U.S.C. 1344).

15 (6) The term “Secretary” means the Secretary
16 of Commerce, acting through the National Oceanic
17 and Atmospheric Administration.

18 (7) Other terms shall have the same meaning
19 such terms have under the Act.

20 **TITLE I—DEFICIT REDUCTION** 21 **ENERGY SECURITY**

22 **SEC. 101. DEFICIT REDUCTION ACREAGE.**

23 (a) IN GENERAL.—The Secretary of the Interior
24 shall, during the period covered by the Proposed Outer
25 Continental Shelf Oil and Gas Leasing Program for 2012–

1 2017 issued by the Department of the Interior, and in
2 addition to the acreage proposed to be leased under such
3 program, conduct oil and gas lease sales under the Outer
4 Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) for
5 additional acreage of the outer Continental Shelf (as that
6 term is used in that Act) that total 10 percent of the acre-
7 age proposed to be leased under such program. The acre-
8 age for which lease sales are required under this section
9 shall be known as the Deficit Reduction Acreage.

10 (b) ANNUAL REQUIREMENT.—In each year in such
11 period, the Secretary shall lease 20 percent of the Deficit
12 Reduction Acreage.

13 **SEC. 102. DEFICIT REDUCTION ENERGY SECURITY FUND**
14 **AND COASTAL AND OCEAN SUSTAINABILITY**
15 **AND HEALTH FUND.**

16 (a) DEFICIT REDUCTION ENERGY SECURITY
17 FUND.—

18 (1) IN GENERAL.—There is hereby established
19 in the Treasury a separate account to be known as
20 the Deficit Reduction Energy Security Fund, con-
21 sisting of such amounts as may be appropriated or
22 credited to it.

23 (2) DEPOSIT OF DEFICIT REDUCTION ACREAGE
24 LEASE REVENUES.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (C), all rentals, royalties, bonus
3 bids, and other sums due and payable to the
4 United States under Deficit Reduction Acreage
5 lease sales during the 15-fiscal-year period be-
6 ginning with the first fiscal year in which such
7 sums are received by the United States shall be
8 deposited in the DRES fund.

9 (B) HOLDING OF OIL AND GAS REVENUES.—Any amount deposited into the DRES
10 Fund under subparagraph (A)—
11 Fund under subparagraph (A)—

12 (i) shall remain in DRES Fund and
13 be invested in accordance with paragraph
14 (2) until the end of the second full fiscal
15 year after the amount is deposited into the
16 DRES Fund; and

17 (ii) upon the end of such fiscal year,
18 shall be transferred to the general fund
19 and applied solely to reduce the annual
20 Federal budget deficit.

21 (C) PAYMENTS TO STATES NOT AF-
22 FECTED.—This Act shall not affect any require-
23 ment under other law to pay to States amounts
24 received by the United States as such royalties,

1 bonus bids, and other sums due and payable to
2 the United States.

3 (3) INVESTMENT.—

4 (A) IN GENERAL.—Amounts in the DRES
5 Fund shall be invested by the Secretary of the
6 Treasury in accordance with section 9602 of
7 the Internal Revenue Code of 1986.

8 (B) INCLUSION OF INTEREST IN DRES
9 FUND.—All interest earned on, and the pro-
10 ceeds from the sale or redemption of, any obli-
11 gations held in the DRES Fund—

12 (i) shall be credited to and form part
13 of the DRES Fund; and

14 (ii) shall remain in the DRES Fund
15 until transferred under paragraph (5),
16 without regard to paragraph (2)(B)(ii).

17 (4) AVAILABILITY OF PROCEEDS OF DEPOS-
18 ITS.—Amounts credited to the DRES Fund under
19 paragraph (3)(B) in excess of the amounts deposited
20 into the DRES Fund under paragraph (2) shall—

21 (A) be available for expenditure, without
22 further appropriation, solely for the purpose of
23 and activities eligible under this Act; and

24 (B) remain available until expended, with-
25 out fiscal year limitation.

1 (5) TRANSFER OF INTEREST TO COASTAL AND
2 OCEAN SUSTAINABILITY AND HEALTH FUND.—Upon
3 the transfer of an amount under paragraph
4 (2)(B)(ii), the interest earned on such amount shall
5 be transferred to the Coastal and Ocean Sustain-
6 ability and Health Fund established under sub-
7 section (b).

8 (b) COASTAL AND OCEAN SUSTAINABILITY AND
9 HEALTH FUND.—

10 (1) IN GENERAL.—There is hereby established
11 in the Treasury a separate account to be known as
12 the Coastal and Ocean Sustainability and Health
13 Fund, consisting of such amounts of interest as are
14 transferred to it under subsection (a)(5).

15 (2) AVAILABILITY.—Of the amounts trans-
16 ferred to the COSH Fund under subsection (a)(5)
17 each fiscal year—

18 (A) not more than 5 percent shall be avail-
19 able to the Secretary of Commerce to admin-
20 ister this title; and

21 (B) the remainder shall be available to the
22 Secretary of Commerce until expended and
23 without fiscal year limitation, for use for—

24 (i) the Coastal and Ocean Disaster
25 Grant Program under section 102; and

1 (ii) the National Grant Program
2 under section 103.

3 (3) ALLOCATION OF FUNDING FOR GRANT PRO-
4 GRAMS.—Of amounts available under paragraph
5 (2)(B), the Secretary of Commerce shall allocate—

6 (A) 40 percent for the Coastal and Ocean
7 Disaster Grant Program under section 103, of
8 which—

9 (i) 50 percent shall be allocated equal-
10 ly among impacted coastal States;

11 (ii) 20 percent shall be allocated based
12 on intensity of impact of disasters on im-
13 pacted coastal States;

14 (iii) 15 percent shall be allocated
15 based on tidal shorelines of impacted
16 coastal States; and

17 (iv) 15 percent of the funds shall be
18 allocated based on the coastal population
19 of impacted coastal States.

20 (B) 60 percent for the National Grant
21 Program for Coastal and Ocean Sustainability
22 and Health under section 104, of which—

23 (i) 50 percent shall be allocated to
24 coastal States;

1 (ii) 50 percent shall be allocated to
2 any State, local, territory, and tribal gov-
3 ernments, institutions of higher learning,
4 and non-profit and for-profit organizations
5 that may receive and expend Federal funds
6 as legal entities; and

7 (iii) no more than 10 percent of the
8 total amount of funds available shall be al-
9 located to a single State or entity in a fis-
10 cal year.

11 (c) GENERAL ADMINISTRATIVE CHARGES PROHIB-
12 ITED.—Grants issued under this Act shall not be subject
13 to a general administrative charge.

14 (d) REDEPOSIT OF UNUSED FUNDS.—Any funds
15 provided as a grant under this title that are not used by
16 the grantee by the end of the fiscal year following the first
17 fiscal year for which they were allocated shall be redepos-
18 ited into the COSH Fund and be reallocated in accordance
19 with this section.

20 **SEC. 103. COASTAL AND OCEAN DISASTER GRANT PRO-**
21 **GRAM.**

22 (a) IN GENERAL.—The Secretary of Commerce shall
23 use amounts allocated under section 102(b)(2)(B)(i) to
24 make grants to coastal States and Indian tribes impacted
25 by coastal or ocean disasters for the purposes of restoring,

1 mitigating, monitoring, or otherwise managing coastal and
2 ocean natural resources impacted by such disasters.

3 (b) ELIGIBILITY.—

4 (1) FIRST 5 YEARS.—During the 5-fiscal year
5 period beginning with the first fiscal year for which
6 amounts are available for grants under this section,
7 a coastal State or Indian tribe shall be eligible for
8 a grant under this section only if—

9 (A) it is one of the States of Texas, Lou-
10 isiana, Mississippi, Alabama, and Florida, or an
11 Indian tribe in such State; or

12 (B) it is determined by the Secretary, in
13 that period, to be a coastal State that has been
14 impacted by a coastal or ocean disaster.

15 (2) AFTER FIRST 5 YEARS.—After the end of
16 such 5-fiscal-year period, if the Secretary determines
17 for a fiscal year that there is no coastal State that
18 has been so impacted, the amount allocated for that
19 fiscal year for grants under this section shall be
20 added to the amounts allocated for that fiscal year
21 under section 102(b)(2)(B)(ii) for the National
22 Grant Program for Coastal and Ocean Sustainability
23 and Health.

24 (3) LIMITATION.—A coastal State or Indian
25 tribe shall not be eligible for a grant under this sec-

1 tion if it is receiving assistance under another Fed-
2 eral law for an activity described in section 105(b)
3 conducted for a purpose referred to in subsection
4 (a).

5 **SEC. 104. NATIONAL GRANT PROGRAM FOR COASTAL AND**
6 **OCEAN SUSTAINABILITY AND HEALTH.**

7 (a) **IN GENERAL.**—The Secretary of Commerce shall
8 use amounts allocated under section 102(b)(2)(B)(ii) (in-
9 cluding amounts added under section 103(b)(2)) to make
10 grants to coastal States that are eligible under subsection
11 (b).

12 (b) **ELIGIBILITY.**—To be eligible for a grant under
13 this section, a person—

14 (1) must be—

15 (A) a coastal State that has a management
16 program approved by the Secretary under sec-
17 tion 306 of the Coastal Zone Management Act
18 of 1972 (16 U.S.C. 1455); or

19 (B) a State, local, territory, or tribal gov-
20 ernment, institution of higher learning, or non-
21 profit or and for-profit organization that may
22 receive and expend Federal funds as a legal en-
23 tity; and

24 (2) must submit to the Secretary a multiyear
25 plan for use of the grant that—

1 (A) specifies how the grant funds will be
2 allocated;

3 (B) is sufficiently flexible to allow the
4 coastal State to respond to emerging needs; and

5 (C) is approved by the Secretary.

6 **SEC. 105. ELIGIBLE USES OF GRANTS.**

7 (a) IN GENERAL.—Amounts provided as a grant
8 under this title shall be used for activities described in
9 subsection (b) that are intended to restore, protect, main-
10 tain, manage, or understand marine resources and their
11 habitats and resources in coastal and ocean waters, includ-
12 ing baseline scientific research and other activities carried
13 out in coordination with Federal and State departments
14 or agencies, that are consistent with Federal environ-
15 mental laws, and that avoid environmental degradation.

16 (b) INCLUDED ACTIVITIES.—Activities referred to in
17 subsection (a) include—

18 (1) coastal management planning and imple-
19 mentation under the Coastal Zone Management Act
20 of 1972;

21 (2) coastal and estuarine land protection, in-
22 cluding the protection of the environmental integrity
23 of important coastal and estuarine areas, such as
24 wetlands and forests, that have significant conserva-
25 tion, recreation, ecological, historical, or aesthetic

1 values, or that are threatened by conversion to other
2 uses;

3 (3) efforts to protect and manage living marine
4 resources, including fisheries, coral reefs, research,
5 management, and enhancement;

6 (4) programs, activities, and new technology de-
7 signed to improve or complement the management
8 and mission of national marine sanctuaries, marine
9 monuments, national estuarine research reserves,
10 and marine protected areas;

11 (5) mitigation, restoration, protection, and relo-
12 cation of coastal communities threatened by the im-
13 pacts of climate change;

14 (6) mitigation of the effects of offshore activi-
15 ties, including environmental restoration;

16 (7) efforts to acquire, protect and restore coast-
17 al lands and wetlands, and to restore or prevent
18 damage to wetlands in the coastal zone, coastal estu-
19 aries, and lands, life, and property in the coastal
20 zone;

21 (8) management of non-point sources of coastal
22 and marine pollution;

23 (9) long-term coastal and ocean research and
24 education, monitoring, and natural resource manage-
25 ment;

1 (10) regional multi-State management efforts
2 designed to manage, protect, or restore the coastal
3 zone and ocean resources; or

4 (11) management and administration of author-
5 ized activities.

6 **SEC. 106. GRANT APPLICATION.**

7 A person seeking a grant under this section shall sub-
8 mit to the Secretary an application at such time, in such
9 manner, and containing such information as the Secretary
10 determines to be appropriate.

11 **TITLE II—TIMELY ISSUANCE OF**
12 **OFFSHORE OIL AND GAS LEASES**

13 **SEC. 201. REINSTATEMENT OF OFFSHORE OIL AND GAS**
14 **LEASES.**

15 Section 18 of the Outer Continental Shelf Lands Act
16 (43 U.S.C. 1344) is amended by adding at the end the
17 following:

18 “(i) The Secretary is authorized, upon petition of a
19 prior leaseholder, to reinstate any Expired Producing
20 Lease in the offshore Gulf or Mexico if such reinstatement
21 furtheres the purposes and objectives of this Act. The Sec-
22 retary shall act on such petitions as soon as possible after
23 receipt thereof, and in any event, within 90 days of receipt
24 of such petition or prior to the next scheduled lease sale
25 in which such lease would be included, whichever is earlier.

1 Any lease application pending for more than 90 days shall
2 be reported to Congress, the Secretary of the Interior, and
3 the Assistant Secretary for Land Management every 15
4 days until the application is acted upon.”.

5 **SEC. 202. EFFECTIVE AND EFFICIENT ENVIRONMENTAL RE-**
6 **VIEW.**

7 (a) COMPLETION OF ANALYSES FOR LEASE
8 SALES.—The Secretary shall, to the maximum extent
9 practicable, complete all analyses, processes, and proce-
10 dures required by section 18 of the Outer Continental
11 Shelf Lands Act (43 U.S.C. 1344) or under the National
12 Environmental Policy Act of 1969 (42 U.S.C. 4321 et
13 seq.; referred to in this section as “NEPA”), in connection
14 with exploration and development under any lease to be
15 offered for sale under this Act, prior to the annual lease
16 sale in which such lease is first offered.

17 (b) TREATMENT OF SECRETARY’S ACTIONS.—Not-
18 withstanding the provisions of any other law, the Sec-
19 retary’s actions, after any initial lease sale, in approving
20 and enforcing safety requirements and spill prevention and
21 response requirements in individual plans or permits shall
22 be deemed to be actions for the purpose of conserving and
23 protecting the environment that are not subject to NEPA
24 review requirements.

1 **TITLE III—OFFICE OF ENERGY**
2 **EMPLOYMENT AND TRAINING**
3 **AND OFFICE OF MINORITY**
4 **AND WOMEN INCLUSION**

5 **SEC. 301. ESTABLISHMENT OF OFFICE OF ENERGY EM-**
6 **PLOYMENT AND TRAINING.**

7 (a) ESTABLISHMENT.—The Secretary of the Interior
8 shall establish an Office of Energy Employment and
9 Training, which shall oversee the efforts of the Depart-
10 ment of the Interior’s energy planning, permitting, and
11 regulatory activities to carry out the purposes, objectives,
12 and requirements of this Act.

13 (b) DIRECTOR.—

14 (1) IN GENERAL.—The Office shall be directed
15 by an Assistant Secretary for Energy Employment
16 and Training, who shall report directly to the Sec-
17 retary and shall be fully employed to carry out the
18 functions of the Office.

19 (2) DUTIES.—The Assistant Secretary for En-
20 ergy Employment and Training shall perform the
21 following functions:

22 (A) Develop and implement systems to
23 track the Department’s compliance with the
24 purposes, objectives, and requirements of the
25 Act.

1 (B) Report at least quarterly to the Sec-
2 retary regarding the Department's compliance
3 with the purposes, objectives, and requirements
4 of this Act, including but not limited to specific
5 data regarding the numbers and types of jobs
6 created through the Department's efforts and a
7 report on all job training programs planned or
8 in progress by the Department.

9 (C) Design and recommend to the Sec-
10 retary programs and policies aimed at ensuring
11 the Department's compliance with the purposes,
12 objectives, and requirements of this Act, and
13 oversee implementation of such programs ap-
14 proved by the Secretary.

15 (D) Develop procedures for enforcement of
16 the Department's requirements and responsibil-
17 ities under this Act.

18 (E) Support the activities of the Office of
19 Minority and Women Inclusion and any other
20 offices or branches established by the Secretary
21 within the Office of Energy Employment and
22 Training.

23 (F) Assist the Secretary in complying with
24 the reporting requirements of title V of this
25 Act.

1 **SEC. 302. OFFICE OF MINORITY AND WOMEN INCLUSION.**

2 (a) OFFICE OF MINORITY AND WOMEN INCLU-
3 SION.—

4 (1) ESTABLISHMENT.—The Secretary of the In-
5 terior shall establish an Office of Minority and
6 Women Inclusion not later than 6 months after the
7 effective date of this Act, that shall be responsible
8 for all matters of the Department of the Interior re-
9 lating to diversity in management, employment, and
10 business activities.

11 (2) TRANSFER OF RESPONSIBILITIES.—The
12 Secretary of the Interior shall ensure that the re-
13 sponsibilities described in paragraph (1) (or com-
14 parable responsibilities) that are assigned to any
15 other office, agency, or bureau of the Department on
16 the day before the date of enactment of this Act are
17 transferred to the Office of Minority and Women In-
18 clusion.

19 (3) DUTIES WITH RESPECT TO CIVIL RIGHTS
20 LAWS.—The responsibilities described in paragraph
21 (1) do not include enforcement of statutes, regula-
22 tions, or executive orders pertaining to civil rights,
23 except each Director shall coordinate with the Sec-
24 retary, or the designee of the Secretary, regarding
25 the design and implementation of any remedies re-

1 sulting from violations of such statutes, regulations,
2 or executive orders.

3 (b) DIRECTOR.—

4 (1) IN GENERAL.—The Office shall have a Di-
5 rector who shall be appointed by, and shall report to,
6 the Secretary of the Interior. The position of Direc-
7 tor shall be a career reserved position in the Senior
8 Executive Service, as that position is defined in sec-
9 tion 3132 of title 5, United States Code, or an
10 equivalent designation.

11 (2) DUTIES.—The Director shall develop stand-
12 ards for—

13 (A) equal employment opportunity and the
14 racial, ethnic, and gender diversity of the work-
15 force and senior management of the Depart-
16 ment;

17 (B) increased participation of minority-
18 owned and women-owned businesses in the pro-
19 grams and contracts of the Department, includ-
20 ing standards for coordinating technical assist-
21 ance to such businesses; and

22 (C) assessing the diversity policies and
23 practices of entities regulated by the Depart-
24 ment.

1 (3) OTHER DUTIES.—The Director shall advise
2 the Secretary of the Interior on the impact of the
3 policies and regulations of the Department on mi-
4 nority-owned and women-owned businesses.

5 (4) RULE OF CONSTRUCTION.—Nothing in
6 paragraph (2)(C) may be construed to mandate any
7 requirement on or otherwise affect the lending poli-
8 cies and practices of any regulated entity, or to re-
9 quire any specific action based on the findings of the
10 assessment.

11 (c) INCLUSION IN ALL LEVELS OF BUSINESS ACTIVI-
12 TIES.—

13 (1) IN GENERAL.—The Director shall develop
14 and implement standards and procedures to ensure,
15 to the maximum extent possible, the fair inclusion
16 and utilization of minorities, women, and minority-
17 owned and women-owned businesses in all business
18 and activities of the Department at all levels, includ-
19 ing in procurement, insurance, and all types of con-
20 tracts.

21 (2) CONTRACTS.—The procedures established
22 by the Department for review and evaluation of con-
23 tract proposals and for hiring service providers shall
24 include, to the extent consistent with applicable law,
25 a component that gives consideration to the diversity

1 of the applicant. Such procedure shall include a
2 written statement, in a form and with such content
3 as the Director shall prescribe, that a contractor
4 shall ensure, to the maximum extent possible, the
5 fair inclusion of women and minorities in the work-
6 force of the contractor and, as applicable, sub-
7 contractors.

8 (3) TERMINATION.—

9 (A) DETERMINATION.—The standards and
10 procedures developed and implemented under
11 this subsection shall include a procedure for the
12 Director to make a determination whether a
13 Department contractor, and, as applicable, a
14 subcontractor has failed to make a good faith
15 effort to include minorities and women in their
16 workforce.

17 (B) EFFECT OF DETERMINATION.—

18 (i) RECOMMENDATION TO SEC-
19 RETARY.—Upon a determination described
20 in subparagraph (A), the Director shall
21 make a recommendation to the Secretary
22 that the contract be terminated.

23 (ii) ACTION BY SECRETARY.—Upon
24 receipt of a recommendation under clause
25 (i), the Secretary may—

- 1 (I) terminate the contract;
- 2 (II) make a referral to the Office
- 3 of Federal Contract Compliance Pro-
- 4 grams of the Department of Labor; or
- 5 (III) take other appropriate ac-
- 6 tion.

7 (d) REPORTS.—The Secretary shall submit to Con-

8 gress an annual report regarding the actions taken by the

9 Department of the Interior agency and the Office pursu-

10 ant to this section, which shall include—

11 (1) a statement of the total amounts paid by

12 the Department to contractors since the previous re-

13 port;

14 (2) the percentage of the amounts described in

15 paragraph (1) that were paid to contractors de-

16 scribed in subsection (c)(1);

17 (3) the successes achieved and challenges faced

18 by the Department in operating minority and women

19 outreach programs;

20 (4) the challenges the Department may face in

21 hiring minority and women employees and con-

22 tracting with minority-owned and women-owned

23 businesses; and

1 (5) any other information, findings, conclusions,
2 and recommendations for legislative or Department
3 action, as the Director determines appropriate.

4 (e) DIVERSITY IN DEPARTMENT WORKFORCE.—The
5 Secretary shall take affirmative steps to seek diversity in
6 the workforce of the Department at all levels of the De-
7 partment in a manner consistent with applicable law. Such
8 steps shall include—

9 (1) recruiting at historically black colleges and
10 universities, Hispanic-serving institutions, women’s
11 colleges, and colleges that typically serve majority
12 minority populations;

13 (2) sponsoring and recruiting at job fairs in
14 urban communities;

15 (3) placing employment advertisements in news-
16 papers and magazines oriented toward minorities
17 and women;

18 (4) partnering with organizations that are fo-
19 cused on developing opportunities for minorities and
20 women to be placed in energy industry internships,
21 summer employment, and full-time positions;

22 (5) where feasible, partnering with inner-city
23 high schools, girls’ high schools, and high schools
24 with majority minority populations to establish or

1 enhance financial literacy programs and provide
2 mentoring; and

3 (6) any other mass media communications that
4 the Office determines necessary.

5 (f) DEFINITIONS.—For purposes of this section, the
6 following definitions shall apply:

7 (1) MINORITY.—The term “minority” means
8 United States citizens who are Asian Indian Amer-
9 ican, Asian Pacific American, Black American, His-
10 panic American, or Native American.

11 (2) MINORITY-OWNED BUSINESS.—The term
12 “minority-owned business” means a for-profit enter-
13 prise, regardless of size, physically located in the
14 United States or its trust territories, which is
15 owned, operated, and controlled by minority group
16 members. “Minority group members” are United
17 States citizens who are Asian Indian American,
18 Asian Pacific American, Black American, Hispanic
19 American, or Native American (terminology in
20 NMSDC categories). Ownership by minority individ-
21 uals means the business is at least 51 percent owned
22 by such individuals or, in the case of a publicly
23 owned business, at least 51 percent of the stock is
24 owned by one or more such individuals. Further, the
25 management and daily operations are controlled by

1 those minority group members. For purposes of
2 NMSDC's program, a minority group member is an
3 individual who is a United States citizen with at
4 least $\frac{1}{4}$ or 25 percent minimum (documentation to
5 support claim of 25 percent required from applicant)
6 of one or more of the following:

7 (A) Asian Indian American, which is a
8 United States citizen whose origins are from
9 India, Pakistan, or Bangladesh.

10 (B) Asian Pacific American, which is a
11 United States citizen whose origins are from
12 Japan, China, Indonesia, Malaysia, Taiwan,
13 Korea, Vietnam, Laos, Cambodia, the Phil-
14 ippines, Thailand, Samoa, Guam, the United
15 States Trust Territories of the Pacific, or the
16 Northern Marianas.

17 (C) Black American, which is a United
18 States citizen having origins in any of the Black
19 racial groups of Africa.

20 (D) Hispanic American, which is a United
21 States citizen of true-born Hispanic heritage,
22 from any of the Spanish-speaking areas of the
23 following regions: Mexico, Central America,
24 South America, and the Caribbean Basin only.

1 (E) Native American, which is a person
2 who is an American Indian, Eskimo, Aleut or
3 Native Hawaiian, and regarded as such by the
4 community of which the person claims to be a
5 part. Native Americans must be documented
6 members of a North American tribe, band, or
7 otherwise organized group of native people who
8 are indigenous to the continental United States
9 and proof can be provided through a Native.

10 (3) NMSDC.—The term “NMSDC” means the
11 National Minority Supplier Development Council.

12 (4) OFFICE.—The term “Office” means the Of-
13 fice of Minority and Women Inclusion established
14 under subsection (a).

15 (5) WOMEN-OWNED BUSINESS.—The term
16 “women-owned business” means a business that can
17 verify through evidence documentation that 51 per-
18 cent or more is women-owned, managed, and con-
19 trolled. The business must be open for at least 6
20 months. The business owner must be a United
21 States citizen or legal resident alien. Evidence must
22 indicate that—

23 (A) the contribution of capital or expertise
24 by the woman business owner is real and sub-
25 stantial and in proportion to the interest owned;

1 (B) the woman business owner directs or
2 causes the direction of management, policy, fis-
3 cal, and operational matters; and

4 (C) the woman business owner has the
5 ability to perform in the area of specialty or ex-
6 pertise without reliance on either the finances
7 or resources of a firm that is not owned by a
8 woman.

9 **TITLE IV—MISCELLANEOUS**
10 **PROVISIONS**

11 **SEC. 401. REPORTING.**

12 Within 12 months of the effective date of this Act
13 and annually thereafter, the Secretary of the Interior, in
14 consultation with the Assistant Secretary for Energy Em-
15 ployment and Training, shall submit a report to Congress
16 on the Department's compliance with the requirements of
17 titles III and IV, including but not limited to specific in-
18 formation regarding the numbers and types of jobs created
19 through the Department of the Interior's efforts, the re-
20 sults of the Department's efforts to enhance the quality
21 and efficiency of planning and permitting processes, and
22 of any actions taken to increase total production and to
23 encourage production early in lease terms.

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