

Calendar No. 144112TH CONGRESS
1ST SESSION**S. 916****[Report No. 112-64]**

To facilitate appropriate oil and gas development on Federal land and waters, to limit the dependence of the United States on foreign sources of oil and gas, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 9, 2011

Mr. BINGAMAN introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

AUGUST 30 (legislative day, AUGUST 2), 2011

Reported under authority of the order of the Senate of August 2, 2011, by
Mr. BINGAMAN, with amendments

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To facilitate appropriate oil and gas development on Federal land and waters, to limit the dependence of the United States on foreign sources of oil and gas, 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,*

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

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Oil and Gas Facilitation Act of 2011”.

4 (b) TABLE OF CONTENTS.—The table of contents of
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definition of Secretary.

TITLE I—OIL AND GAS LEASING

Sec. 101. Extension of Oil and Gas Permit Processing Improvement Fund.

Sec. 102. Facilitation of coproduction of geothermal energy on oil and gas
leases.

TITLE II—OUTER CONTINENTAL SHELF

Sec. 201. Comprehensive inventory of outer Continental Shelf resources.

Sec. 202. Alaska OCS permit processing coordination office.

Sec. 203. Phase-out of mandatory Outer Continental Shelf deep water and deep
gas royalty relief for future leases.

TITLE III—MISCELLANEOUS

~~Sec. 301. Facilitation of Alaska natural gas pipeline.~~

Sec. ~~302~~.301. Exemption of trans-Alaska oil pipeline system from certain re-
quirements.

Sec. ~~303~~.302. Permits for natural gas pipeline in Denali National Park and
Preserve.

Sec. 303. *Energy information administration reporting on Iranian imports of re-
fined petroleum products.*

6 **SEC. 2. DEFINITION OF SECRETARY.**

7 In this Act, the term “Secretary” means the Sec-
8 retary of the Interior.

9 **TITLE I—OIL AND GAS LEASING**

10 **SEC. 101. EXTENSION OF OIL AND GAS PERMIT PROC-**
11 **ESSING IMPROVEMENT FUND.**

12 Section 35(c) of the Mineral Leasing Act (30 U.S.C.
13 191(c)) is amended by adding at the end the following:

1 “(4) AUTHORIZATION OF APPROPRIATIONS.—
2 There is authorized to be appropriated from the
3 Fund, or to the extent adequate funds in the Fund
4 are not available from miscellaneous receipts of the
5 Treasury, for the coordination and processing of oil
6 and gas use authorizations and for oil and gas in-
7 spection and enforcement on onshore Federal land
8 under the jurisdiction of the Pilot Project offices de-
9 scribed in section 365(d) of the Energy Policy Act
10 of 2005 (42 U.S.C. 15924(d)) \$20,000,000 for each
11 of fiscal years 2016 through 2020, to remain avail-
12 able until expended.”.

13 **SEC. 102. FACILITATION OF COPRODUCTION OF GEO-**
14 **THERMAL ENERGY ON OIL AND GAS LEASES.**

15 Section 4(b) of the Geothermal Steam Act of 1970
16 (30 U.S.C. 1003(b)) is amended by adding at the end the
17 following:

18 “(4) LAND SUBJECT TO OIL AND GAS LEASE.—
19 Land under an oil and gas lease issued pursuant to
20 the Mineral Leasing Act (30 U.S.C. 181 et seq.) or
21 the Mineral Leasing Act for Acquired Lands (30
22 U.S.C. 351 et seq.) that is subject to an approved
23 application for permit to drill and from which oil
24 and gas production is occurring may be available for

1 leasing under subsection (c) by the holder of the oil
2 and gas lease—

3 “(A) on a determination that—

4 “(i) geothermal energy will be pro-
5 duced from a well producing or capable of
6 producing oil and gas; and

7 “(ii) the public interest will be served
8 by the issuance of such a lease; and

9 “(B) in order to provide for the coproduc-
10 tion of geothermal energy with oil and gas.”.

11 **TITLE II—OUTER CONTINENTAL**
12 **SHELF**

13 **SEC. 201. COMPREHENSIVE INVENTORY OF OUTER CONTI-**
14 **NENTAL SHELF RESOURCES.**

15 (a) IN GENERAL.—Section 357 of the Energy Policy
16 Act of 2005 (42 U.S.C. 15912) is amended—

17 (1) in subsection (a)—

18 (A) by striking the first sentence of the
19 matter preceding paragraph (1) and inserting
20 the following: “The Secretary shall conduct a
21 comprehensive inventory of oil and natural gas
22 (including executing or otherwise facilitating
23 seismic studies of resources) and prepare a
24 summary (the latter prepared with the assist-
25 ance of, and based on information provided by,

1 the heads of appropriate Federal agencies) of
2 the information obtained under paragraph (3),
3 for the waters of the United States Outer Con-
4 tinental Shelf (referred to in this section as the
5 ‘OCS’) in the Atlantic Region, the Eastern Gulf
6 of Mexico, and the Alaska Region.”;

7 (B) in paragraph (2)—

8 (i) by striking “3-D” and inserting
9 “2-D and 3-D”; and

10 (ii) by adding “and” at the end; and

11 (C) by striking paragraphs (3) through (5)

12 and inserting in the following:

13 “(3) use existing inventories and mapping of
14 marine resources undertaken by the National Ocean-
15 ographic and Atmospheric Administration and with
16 the assistance of and based on information provided
17 by the Department of Defense and other Federal
18 and State agencies possessing relevant data, and use
19 any available data regarding alternative energy po-
20 tential, navigation uses, fisheries, aquaculture uses,
21 recreational uses, habitat, conservation, and military
22 uses.”; and

23 (2) by striking subsection (b) and inserting the
24 following:

1 “(b) IMPLEMENTATION.—The Secretary shall carry
2 out the inventory and analysis under subsection (a) in 3
3 phases, with priority given to all or part of applicable plan-
4 ning areas of the outer Continental Shelf—

5 “(1) estimated to have the greatest potential for
6 energy development in barrel of oil equivalent; and

7 “(2) outside of any leased area or area sched-
8 uled for leasing prior to calendar year 2011 under
9 any outer Continental Shelf 5-year leasing program
10 or amendment to the program under section 18 of
11 the Outer Continental Shelf Lands Act (43 U.S.C.
12 1344).

13 “(c) PLAN.—

14 “(1) IN GENERAL.—Not later than 90 days
15 after the date of enactment of this paragraph, the
16 Secretary shall submit to the Committee on Energy
17 and Natural Resources of the Senate and the Com-
18 mittee on Natural Resources of the House of Rep-
19 resentatives a report that provides a plan for exe-
20 cuting or otherwise facilitating the seismic studies
21 required under this section, including an estimate of
22 the costs to complete the seismic inventory by region
23 and environmental and permitting activities to facili-
24 tate expeditious completion.

1 “(2) FIRST PHASE.—Not later than 2 years
2 after the date of enactment of this paragraph, the
3 Secretary shall submit to Congress a report describ-
4 ing the results of the first phase of the inventory
5 and analysis under subsection (a).

6 “(3) SUBSEQUENT PHASES.—Not later than 2
7 years after the date on which the report is submitted
8 under paragraph (2) and 2 years thereafter, the Sec-
9 retary shall submit to Congress a report describing
10 the results of the second and third phases, respec-
11 tively, of the inventory and analysis under subsection
12 (a).

13 “(4) PUBLIC AVAILABILITY.—A report sub-
14 mitted under paragraph (2) or (3) shall be—

15 “(A) made publicly available; and

16 “(B) updated not less frequently than once
17 every 5 years.”.

18 (b) RELATIONSHIP TO 5-YEAR PROGRAM.—The re-
19 quirement that the Secretary carry out the inventory re-
20 quired by the amendment made by subsection (a) shall not
21 be considered to require, authorize, or provide a basis or
22 justification for delay by the Secretary or any other agency
23 of the issuance of any outer Continental Shelf leasing pro-
24 gram or amendment to the program under section 18 of

1 the Outer Continental Shelf Lands Act (43 U.S.C. 1344),
 2 or any lease sale pursuant to that section.

3 (c) PERMITS.—Nothing in this section or an amend-
 4 ment made by this section—

5 (1) precludes the issuance by the Secretary of
 6 a permit to conduct geological and geophysical explo-
 7 ration of the outer Continental Shelf in accordance
 8 with the Outer Continental Shelf Lands Act (43
 9 U.S.C. 1331 et seq.) and other applicable law; or

10 (2) otherwise alters the requirements of applica-
 11 ble law with respect to the issuance of such a permit
 12 or any other activities undertaken by the Secretary
 13 in connection with the inventory.

14 (d) AUTHORIZATION OF APPROPRIATIONS.—There
 15 are authorized to be appropriated to carry out this section,
 16 to be available until expended without fiscal year limita-
 17 tion—

18 (1) \$100,000,000 for each of fiscal years 2012
 19 through 2017; and

20 (2) \$50,000,000 for each of fiscal years 2018
 21 through 2022.

22 **SEC. 202. ALASKA OCS PERMIT PROCESSING COORDINA-**
 23 **TION OFFICE.**

24 (a) ESTABLISHMENT.—The Secretary shall establish
 25 a regional joint outer Continental Shelf lease and permit

1 processing office for the Alaska outer Continental Shelf
2 region.

3 (b) MEMORANDUM OF UNDERSTANDING.—

4 (1) IN GENERAL.—Not later than 90 days after
5 the date of enactment of this Act, the Secretary
6 shall enter into a memorandum of understanding for
7 the purposes of carrying out this section with—

8 (A) the Secretary of Commerce;

9 (B) the Chief of Engineers;

10 (C) the Administrator of the Environ-
11 mental Protection Agency; and

12 (D) any other Federal agency that may
13 have a role in permitting activities.

14 (2) STATE PARTICIPATION.—The Secretary
15 shall request that the Governor of Alaska be a signa-
16 tory to the memorandum of understanding.

17 (c) DESIGNATION OF QUALIFIED STAFF.—

18 (1) IN GENERAL.—Not later than 30 days after
19 the date of the signing of the memorandum of un-
20 derstanding under subsection (b), each Federal sig-
21 natory party shall, if appropriate, assign to the of-
22 fice described in subsection (a) an employee who has
23 expertise in the regulatory issues administered by
24 the office in which the employee is employed relating

1 to leasing and the permitting of oil and gas activities
2 on the outer Continental Shelf.

3 (2) DUTIES.—An employee assigned under
4 paragraph (1) shall—

5 (A) not later than 90 days after the date
6 of assignment, report to the office described in
7 subsection (a);

8 (B) be responsible for all issues relating to
9 the jurisdiction of the home office or agency of
10 the employee; and

11 (C) participate as part of the applicable
12 team of personnel working on proposed oil and
13 gas leasing and permitting, including planning
14 and environmental analyses.

15 (d) TRANSFER OF FUNDS.—For the purposes of co-
16 ordination and processing of oil and gas use authorizations
17 for the Alaska outer Continental Shelf region, the Sec-
18 retary may authorize the expenditure or transfer of such
19 funds as are necessary to—

20 (1) the Secretary of Commerce;

21 (2) the Chief of Engineers;

22 (3) the Administrator of the Environmental
23 Protection Agency;

24 (4) any other Federal agency having a role in
25 permitting activities; and

1 (5) the State of Alaska.

2 (e) SAVINGS PROVISION.—Nothing in this section af-
3 fects—

4 (1) the operation of any Federal or State law;

5 or

6 (2) any delegation of authority made by the
7 head of a Federal agency for employees that are as-
8 signed to the coordination office.

9 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
10 authorized to be appropriated to carry out this section
11 \$2,000,000 for each of fiscal years 2012 through 2022,
12 to remain available until expended.

13 **SEC. 203. PHASE-OUT OF MANDATORY OUTER CONTI-**
14 **NENTAL SHELF DEEP WATER AND DEEP GAS**
15 **ROYALTY RELIEF FOR FUTURE LEASES.**

16 (a) IN GENERAL.—Sections 344 and 345 of the En-
17 ergy Policy Act of 2005 (42 U.S.C. 15904, 15905) are
18 repealed.

19 (b) ADMINISTRATION.—The Secretary shall not be
20 required to provide for royalty relief in the lease sale terms
21 beginning with the first lease sale held on or after the date
22 of enactment of this Act for which a final notice of sale
23 has not been published.

1 **TITLE III—MISCELLANEOUS**

2 **SEC. 301. FACILITATION OF ALASKA NATURAL GAS PIPE-**
 3 **LINE.**

4 Section 116 of the Alaska Natural Gas Pipeline Act
 5 (~~15 U.S.C. 720n~~) is amended—

6 (1) in subsection (a)(~~3~~)—

7 (A) in the first sentence, by inserting be-
 8 fore the period at the end the following: “, ex-
 9 cept that a holder of a certificate may request
 10 the Secretary to extend the period to issue Fed-
 11 eral guarantee instruments for not more than
 12 180 days following the date of resolution of any
 13 reopening, contest, or other proceeding relating
 14 to the certificate”; and

15 (B) in the second sentence, by inserting
 16 before the period at the end the following: “, or
 17 connecting to pipeline infrastructure capable of
 18 delivering commercially economic quantities of
 19 natural gas to the continental United States”;

20 (2) in subsection (b)—

21 (A) by striking paragraph (2);

22 (B) by redesignating paragraphs (3) and
 23 (4) as paragraphs (2) and (3), respectively; and

24 (C) in paragraph (2) (as so redesignated),
 25 by striking “and completion guarantees”;

1 (3) in subsection (c)(2), by striking
 2 “\$18,000,000,000” and inserting
 3 “\$30,000,000,000”;

4 (4) in subsection (d)—

5 (A) in the first sentence of paragraph (1),
 6 by inserting before the period at the end the
 7 following: “, except that an issued loan guar-
 8 antee instrument shall apply to not less than 80
 9 percent of project costs unless by previous con-
 10 sent of the borrower”; and

11 (B) in paragraph (2), by striking “An eli-
 12 gible” and inserting “A”; and

13 (5) in subsection (g)—

14 (A) by striking paragraph (2);

15 (B) by redesignating paragraphs (3) and
 16 (4) as paragraphs (2) and (3), respectively; and

17 (C) in paragraph (2) (as so redesignated),
 18 by inserting before the period at the end the
 19 following: “under subsection (a)(3), including
 20 direct lending from the Federal Financing
 21 Bank of all or a part of the amount to the hold-
 22 er, in lieu of a guarantee”.

1 **SEC. 302.301. EXEMPTION OF TRANS-ALASKA OIL PIPELINE**
2 **SYSTEM FROM CERTAIN REQUIREMENTS.**

3 The Trans-Alaska Pipeline Authorization Act (43
4 U.S.C. 1651 et seq.) is amended by adding at the end
5 the following:

6 **“SEC. 208. EXEMPTION OF TRANS-ALASKA OIL PIPELINE**
7 **SYSTEM FROM CERTAIN REQUIREMENTS.**

8 “(a) IN GENERAL.—Except as provided in subsection
9 (b), no part of the trans-Alaska oil pipeline system shall
10 be considered to be a district, site, building, structure, or
11 object for purposes of section 106 of the National Historic
12 Preservation Act (16 U.S.C. 470f), regardless of whether
13 all or part of the trans-Alaska oil pipeline system may oth-
14 erwise be listed on, or eligible for listing on, the National
15 Register of Historic Places.

16 “(b) INDIVIDUAL ELEMENTS.—

17 “(1) IN GENERAL.—Subject to subsection (c),
18 the Secretary of the Interior may identify up to 3
19 sections of the trans-Alaska oil pipeline system that
20 possess national or exceptional historic significance,
21 and that should remain after the pipeline is no
22 longer used for the purpose of oil transportation.

23 “(2) HISTORIC SITE.—Any sections identified
24 under paragraph (1) shall be considered to be a his-
25 toric site.

1 “(3) VIEWS.—In making the identification
2 under this subsection, the Secretary shall consider
3 the views of—

4 “(A) the owners of the pipeline;

5 “(B) the State Historic Preservation Offi-
6 cer;

7 “(C) the Advisory Council on Historic
8 Preservation; and

9 “(D) the Federal Coordinator for Alaska
10 Natural Gas Transportation Projects.

11 “(c) CONSTRUCTION, MAINTENANCE, RESTORATION,
12 AND REHABILITATION ACTIVITIES.—Subsection (b) does
13 not prohibit the owners of the trans-Alaska oil pipeline
14 system from carrying out construction, maintenance, res-
15 toration, or rehabilitation activities on or for a section of
16 the system described in subsection (b).”.

17 **SEC. 303.302. PERMITS FOR NATURAL GAS PIPELINE IN**
18 **DENALI NATIONAL PARK AND PRESERVE.**

19 (a) DEFINITIONS.—In this section:

20 (1) APPURTENANCE.—

21 (A) IN GENERAL.—The term “appur-
22 tenance” includes cathodic protection or test
23 stations, valves, signage, and buried commu-
24 nication and electric cables relating to the oper-
25 ation of high-pressure natural gas transmission.

1 (B) EXCLUSIONS.—The term “appur-
2 tenance” does not include compressor stations.

3 (2) PARK.—The term “Park” means the Denali
4 National Park and Preserve in the State of Alaska.

5 (b) PERMIT.—The Secretary may issue right-of-way
6 permits for—

7 (1) a high-pressure natural gas transmission
8 pipeline (including appurtenances) in non-wilderness
9 areas within the boundary of Denali National Park
10 within, along, or near the approximately 7-mile seg-
11 ment of the George Parks Highway that runs
12 through the Park; and

13 (2) any distribution and transmission pipelines
14 and appurtenances that the Secretary determines to
15 be necessary to provide natural gas supply to the
16 Park.

17 (c) TERMS AND CONDITIONS.—A permit authorized
18 under subsection (b)—

19 (1) may be issued only—

20 (A) if the permit is consistent with the
21 laws (including regulations) generally applicable
22 to utility rights-of-way within units of the Na-
23 tional Park System;

1 (B) in accordance with section 1106(a) of
 2 the Alaska National Interest Lands Conserva-
 3 tion Act (16 U.S.C. 3166(a)); and

4 (C) if, following an appropriate analysis
 5 prepared in compliance with the National Envi-
 6 ronmental Policy Act of 1969 (42 U.S.C. 4321
 7 et seq.), the route of the right-of-way is the
 8 route through the Park with the least adverse
 9 environmental effects for the Park; and

10 (2) shall be subject to such terms and condi-
 11 tions as the Secretary determines to be necessary.

12 **SEC. 303. ENERGY INFORMATION ADMINISTRATION RE-**
 13 **PORTING ON IRANIAN IMPORTS OF REFINED**
 14 **PETROLEUM PRODUCTS.**

15 (a) *IN GENERAL.*—*The Administrator of the Energy*
 16 *Information Administration shall submit to Congress a re-*
 17 *port, which shall be updated periodically, that, to the max-*
 18 *imum extent practicable, describes—*

19 (1) *the annual volume of refined petroleum prod-*
 20 *ucts imported to and exported from Iran;*

21 (2) *the identity and national origin of persons*
 22 *selling and transporting refined petroleum products*
 23 *to Iran;*

24 (3) *the sources of financing for imports to Iran*
 25 *of refined petroleum products; and*

1 (4) *the involvement of foreign persons in efforts*
2 *to assist Iran in—*

3 (A) *importing advanced technology to up-*
4 *grade existing Iranian refineries;*

5 (B) *converting existing chemical plants to*
6 *petroleum refineries; or*

7 (C) *constructing new refineries.*

8 (b) *APPLICABILITY.—The reporting requirements*
9 *under subsection (a) shall remain in effect until the date*
10 *on which the President determines that all economic sanc-*
11 *tions imposed by the United States with respect to Iran*
12 *have been lifted.*

Calendar No. 144

112TH CONGRESS
1ST Session

S. 916

[Report No. 112-64]

A BILL

To facilitate appropriate oil and gas development on Federal land and waters, to limit the dependence of the United States on foreign sources of oil and gas, and for other purposes.

August 30 (legislative day, August 2), 2011
Reported with amendments