

111th CONGRESS

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H. R. 3534

To provide greater efficiencies, transparency, returns, and accountability in the administration of Federal mineral and energy resources by consolidating administration of various Federal energy minerals management and leasing programs into one entity to be known as the Office of Federal Energy and Minerals Leasing of the Department of the Interior, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

September 8, 2009

Mr. RAHALL introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To provide greater efficiencies, transparency, returns, and accountability in the administration of Federal mineral and energy resources by consolidating administration of various Federal energy minerals management and leasing programs into one entity to be known as the Office of Federal Energy and Minerals Leasing of the Department of the Interior, and for other purposes.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title- This Act may be cited as the 'Consolidated Land, Energy, and Aquatic Resources Act of 2009'.

(b) Table of Contents- The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I--CONSOLIDATION OF DEPARTMENT OF THE INTERIOR ENERGY AND MINERALS LEASING PROGRAMS

Sec. 101. Establishment of the Office of Federal Energy and Minerals Leasing.

Sec. 102. Officers and employees.

Sec. 103. Ethics.

TITLE II--OIL AND GAS ROYALTY REFORM

Sec. 201. Amendments to definitions.

Sec. 202. Compliance reviews.

Sec. 203. Clarification of liability for royalty payments.

Sec. 204. Required recordkeeping.

Sec. 205. Fines and penalties.

Sec. 206. Interest on overpayments.

Sec. 207. Adjustments and refunds.

Sec. 208. Conforming amendment.

Sec. 209. Obligation period.

Sec. 210. Notice regarding tolling agreements and subpoenas.

Sec. 211. Appeals and final agency action.

Sec. 212. Assessments.

Sec. 213. Collection and production accountability.

Sec. 214. Natural gas reporting.

Sec. 215. Penalty for late or incorrect reporting of data.

Sec. 216. Required recordkeeping.

Sec. 217. Limitation on royalty in-kind program.

Sec. 218. Shared civil penalties.

Sec. 219. Applicability to other minerals.

Sec. 220. Entitlements.

TITLE III--OIL AND GAS LEASING REFORMS

Sec. 301. Diligent development.

Sec. 302. Reporting requirements.

Sec. 303. Notice requirements.

Sec. 304. Oil and gas leasing system.

Sec. 305. Electronic reporting.

Sec. 306. Best management practices.

Sec. 307. Coal mine methane recovery.

Sec. 308. Environmental review.

Sec. 309. Amendments to Outer Continental Shelf Lands Act.

TITLE IV--FULL FUNDING FOR THE LAND AND WATER CONSERVATION FUND

Sec. 401. Amendments to the Land and Water Conservation Fund Act of 1965.

Sec. 402. Extension of the land and water conservation fund.

Sec. 403. Permanent funding.

Sec. 404. Allocation of funds.

TITLE V--NEW ONSHORE LEASING AUTHORITY

Subtitle A--Solar and Wind Leasing

Sec. 501. Authority to issue commercial leases for wind and solar projects on Federal lands.

Sec. 502. Land management.

Sec. 503. Revenues.

Sec. 504. Recordkeeping and reporting requirements.

Sec. 505. Audits.

Sec. 506. Trade secrets.

Sec. 507. Interest and Substantial Underreporting Assessments.

Sec. 508. Indian savings provision.

Subtitle B--Uranium Leasing

Sec. 511. Federal lands uranium leasing.

TITLE VI--OUTER CONTINENTAL SHELF COORDINATION AND PLANNING

Sec. 601. Regional Outer Continental Shelf coordination.

Sec. 602. Regional Outer Continental Shelf Councils.

Sec. 603. Regional Outer Continental Shelf strategic plans.

Sec. 604. Regulations.

Sec. 605. Ocean Resources Conservation and Assistance Fund.

Sec. 606. Waiver.

Sec. 607. Transition period.

Sec. 608. Alternative energy on the Outer Continental Shelf.

TITLE VII--MISCELLANEOUS PROVISIONS

Sec. 701. Repeal of certain taxpayer subsidized royalty relief for the oil and gas industry.

Sec. 702. Production incentive fee.

Sec. 703. Leasing on Indian lands.

Sec. 704. Offshore aquaculture clarification.

SEC. 2. DEFINITIONS.

For the purposes of this Act:

(1) ADMINISTRATOR- The term `Administrator' means the Administrator of the National Oceanic and Atmospheric Administration.

(2) AFFECTED INDIAN TRIBE- The term `affected Indian tribe' means an Indian tribe that has federally reserved rights that are affirmed by treaty, statute, Executive order, Federal court order, or other Federal law in the area at issue.

(3) ALTERNATIVE ENERGY- The term `alternative energy' means electricity generated by a renewable energy resource.

(4) COASTAL STATE- The term `coastal State' has the meaning given the term in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453).

(5) DIRECTOR- The term `Director' means the Director of the Leasing Office, except as otherwise provided in this Act.

(6) ECOSYSTEM-BASED MANAGEMENT- The term `ecosystem-based management' means an integrated approach to management that--

(A) considers the entire ecosystem, including humans, and accounts for interactions among the ecosystem, the range of activities affecting the ecosystem, and the management of such activities;

(B) aims to maintain ecosystems in a healthy, productive, sustainable, and resilient condition so that they can provide the services humans want and need;

(C) emphasizes the protection of ecosystem structure, function, patterns, and important processes;

(D) considers the impacts, including cumulative impacts, of the range of activities affecting an ecosystem that fall within geographical boundaries of the ecosystem;

(E) explicitly accounts for the interconnectedness within an ecosystem, such as food webs, and acknowledges the interconnectedness among systems, such as between air, land, and sea; and

(F) integrates ecological, social, economic, cultural, and institutional perspectives, recognizing their strong interdependencies.

(7) FUNCTION- The term `function' includes authorities, powers, rights, privileges, immunities, programs, projects, activities, duties, and responsibilities.

(8) IMPORTANT ECOLOGICAL AREA- The term `important ecological area' means an area that contributes significantly to local or larger marine ecosystem health or is an especially unique or sensitive marine ecosystem.

(9) INDIAN LAND- The term `Indian land' has the meaning given the term in section 502(a) of title V of Public Law 109-58 (25 U.S.C. 3501(2)).

(10) LEASING OFFICE- The term `Leasing Office' means the Office of Federal Energy and Minerals Leasing established under this Act.

(11) MARINE ECOSYSTEM HEALTH- The term `marine ecosystem health' means the ability of an ecosystem in ocean and coastal waters to support and maintain patterns, important processes, and productive, sustainable, and resilient communities of organisms, having a species composition, diversity, and functional organization resulting from the natural habitat of the region, such that it is capable of supporting a variety of activities and providing a complete range of ecological benefits. Such an ecosystem would be characterized by a variety of factors, including--

(A) a complete diversity of native species and habitat wherein each native species is able to maintain an abundance, population structure, and distribution supporting its ecological and evolutionary functions, patterns, and processes; and

(B) a physical, chemical, geological, and microbial environment that is necessary to achieve such diversity.

(12) MINERAL- The term `mineral' has the same meaning that the term `minerals' has in section 2(q) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(q)).

(13) NONRENEWABLE ENERGY RESOURCE- The term `nonrenewable energy resource' means oil and natural gas.

(14) OUTER CONTINENTAL SHELF- The term `Outer Continental Shelf' has the meaning that the term `outer Continental Shelf' has in the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.).

(15) PUBLIC LAND STATE- The term `public land State' means--

(A) each of the eleven contiguous Western States (as that term is defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)); and

(B) Alaska.

(16) REGIONAL OCEAN PARTNERSHIP- The term `Regional Ocean Partnership' means voluntary, collaborative management initiatives developed and entered into by the Governors of two or more coastal States or created by an interstate compact to implement policies and activities identified under special area management plans or other agreements developed and approved by the Governors through authority granted to them under the Coastal Zone Management Act (16 U.S.C. 1451 et seq.).

(17) RENEWABLE ENERGY RESOURCE- The term `renewable energy resource' means each of the following:

(A) Wind energy.

(B) Solar energy.

(C) Geothermal energy.

(D) Biomass or landfill gas.

(E) A hydropower resource that is a qualified energy resource (as that term is defined in section 45(c)(1) of the Internal Revenue of 1986, as amended by section 1301(c) of the Energy Policy Act of 2005 (119 Stat. 987)).

(F) Marine and hydrokinetic renewable energy, as that term is defined in section 632 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17211).

(18) SECRETARIES- The term `Secretaries' means the Secretary of the Interior and the Secretary of Commerce.

(19) SECRETARY- The term `Secretary' means the Secretary of the Interior, except as otherwise provided in this Act.

(20) SURFACE USE PLAN OF OPERATIONS- The term `surface use plan of operations' means a plan for surface use, disturbance, and reclamation of Federal lands for energy development that is submitted by a lessee and approved by the relevant land management agency.

(21) TERMS DEFINED IN OTHER LAW- Each of the terms `Federal land', `lease', `lease site', and `mineral leasing law' has the meaning that term has under the Federal Oil and Gas Royalty

Management Act of 1982 (30 U.S.C. 1701 et seq.).

(22) TRIBE- The term `tribe' has the same meaning as that term has in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)).

TITLE I--CONSOLIDATION OF DEPARTMENT OF THE INTERIOR ENERGY AND MINERALS LEASING PROGRAMS

SEC. 101. ESTABLISHMENT OF THE OFFICE OF FEDERAL ENERGY AND MINERALS LEASING.

(a) Establishment- There is established in the Department of the Interior the Office of Federal Energy and Minerals Leasing, which shall be under the direction and control of the Director.

(b) Functions-

(1) TRANSFERRED FUNCTIONS- Within 1 year after the date of enactment of this Act, the Secretary of the Interior shall transfer to the Director of the Leasing Office--

(A) the functions of the Minerals Management Service as it existed on June 1, 2009, except for the auditing and compliance management section;

(B) the functions of the Oil and Gas Management program of the Bureau of Land Management as in existence as of June 1, 2009, except as provided by this Act; and

(C) any other functions assigned by the Secretary to those programs after June 1, 2009, and before the date of the enactment of this Act.

(2) OTHER FUNCTIONS- In addition to the functions transferred under paragraph (1), the functions of the Office shall include the following:

(A) Management of the leasing and development otherwise authorized by law of all Federal waters on the Outer Continental Shelf for purposes of mineral, nonrenewable, and renewable energy resource exploration, siting, production, and development in a manner protective of the marine, coastal, and human environment.

(B) Management of the following leasing activities associated with development of renewable energy resources and oil and natural gas energy resources located on lands managed by the Bureau of Land Management and the Forest Service in a manner protective of natural ecosystems and the human environment:

(i) Establishment of fair market value for onshore lease sales.

(ii) Conduct of lease sales.

(iii) Issuance and oversight of onshore leases.

(iv) Issuance of permits to drill on lands that are within areas that have been approved for energy development by the relevant land management agency under a surface use plan of operations.

(v) Compliance activities, including timely payments of rentals, royalties and other fees, production verification, inspection and enforcement.

(C) Administration of a program to ensure the timely and accurate collection, distribution, and accounting for revenues owed by holders of mineral, renewable, and nonrenewable energy leases on Federal lands and offshore and Indian lands.

(c) Tribal Lands- Except as provided in subsection (b)(2)(C), nothing in this title shall apply with respect to Indian lands.

(d) Administration- The Office shall administer its functions by such means as are reasonably necessary to carry out the purposes of this Act, the Outer Continental Shelf Lands Act (43 U.S.C. 1301 et seq.), the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.), the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.), the Energy Policy Act of 2005 (Public Law 109-58), the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (Public Law 104-185), the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.), the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), and all other applicable Federal laws.

(e) Land Use Planning- Nothing in this title affects the land use planning authorities of the Bureau of Land Management under the Federal Land Policy and Management Act of 1976 or of the Forest Service under the National Forest Management Act of 1976 (Public Law 94-588).

(f) Responsibilities of Land Management Agencies- In addition to the land use planning responsibilities authorized under the Federal Land Policy Management Act of 1976, the National Forest Management Act of 1976, and the Forest and Rangeland Renewable Resources Planning Act of 1974, the Director of the Bureau of Land Management and the Chief of the Forest Service shall be responsible for the following activities related to energy leasing, exploration, and development on land under his or her authority:

(1) Establishment of best management practices for environmentally sound energy production.

(2) Review and approval of general land use plans that identify areas in which energy development would not conflict with other land uses.

(3) Determination and enforcement of conditions for surface occupancy.

(4) Authorization of any modification, waiver, or exception to a stipulation or other condition to be included in a lease issued by the Leasing Office.

(5) Establishment and enforcement of reclamation requirements.

(6) Establishment and enforcement of financial assurances that shall be sufficient to assure the completion of reclamation and restoration satisfying the requirements of appropriate law if the work were to be performed by the Secretary concerned in the event of forfeiture, including the construction and maintenance costs for any treatment facilities necessary to meet Federal and State environmental requirements. The calculation of such amount shall take into account the maximum level of financial exposure that may arise during the leasing activity and administrative costs associated with a government agency reclaiming the site.

(7) Inspection of areas of operation to ensure that operations are in compliance with approved surface use land plans.

(8) Issuance of notices of noncompliance lease cancellation for noncompliance with terms of permits and plans.

(9) Such other activities that either of the Secretaries determines are necessary to ensure that energy development on Bureau of Land Management and Forest Service lands is accomplished in a manner protective of natural ecosystems and the human environment.

(g) Inspection Authority- The responsibilities delineated in subsection (f) do not limit the authority of the Director of the Leasing Office to issue notices of non-compliance, assess civil penalties, or provide for lease cancellation in the event that an employee of the Leasing Office identifies violations of a surface use plan of operations while conducting production inspections or other inspections under the auspices of the Leasing Office.

(h) Audits- In order to ensure that the fiduciary duties of the United States on behalf of the American people, as they relate to development of Federal energy and mineral resources, are fully realized, no later than one year after the date of enactment, the Secretary shall transfer to the Inspector General of the Department of the Interior the functions of the Audit and Compliance Management Section of the Minerals Management Service.

SEC. 102. OFFICERS AND EMPLOYEES.

(a) Director-

(1) APPOINTMENT- The Director shall be appointed by the President, by and with the advice and consent of the Senate, on the basis of--

(A) professional competence; and

(B) capacity to--

(i) administer the provisions of this Act; and

(ii) ensure that the fiduciary duties of the United States Government on behalf of the American people, as they relate to development of energy resources, are duly met.

(2) COMPENSATION- The Director shall be compensated at the rate provided for Level V of the Executive Schedule under section 5315 of title 5, United States Code.

(3) CONFORMING AMENDMENT- Section 5315 of title 5, United States Code, is amended by adding at the end the following new item:

`Director, Office of Federal Energy and Minerals Leasing.'.

(b) Other Officers and Employees-

(1) IN GENERAL- There shall also be in the Leasing Office such subordinate officers and employees

as may be appropriated for by Congress.

(2) TRANSFERS- Within one year after the date of enactment of this Act, the Secretary shall permanently transfer from the Bureau of Land Management and the Minerals Management Service and or other bureaus of the Department of the Interior to the Leasing Office such personnel as necessary to administer the programs authorized to be carried out or managed by the Leasing Office under this Act.

(c) Regulations- Not later than 2 years after the date of enactment of this Act, the Secretary shall issue regulations that--

(1) require that all Leasing Office employees that conduct audits or compliance reviews for the Leasing Office shall meet professional auditor qualifications that are consistent with the latest revision of the Government Auditing Standards published by the Government Accountability Office; and

(2) ensure that all such audits conducted by the Department of the Interior are performed in accordance with such standards.

SEC. 103. ETHICS.

The Secretary shall certify annually that all Leasing Office employees having regular, direct contact with lessees and operators as a function of their official duties are in full compliance with all Federal employee ethics laws and regulations, under the Ethics in Government Act of 1978 (5 U.S.C. App.) and part 2635 of title 5, Code of Federal Regulations.

TITLE II--OIL AND GAS ROYALTY REFORM

SEC. 201. AMENDMENTS TO DEFINITIONS.

Section 3 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1702) is amended--

(1) in paragraph (8), by striking the semicolon and inserting `including but not limited to the Act of October 20, 1914 (38 Stat. 741); the Act of February 25, 1920 (41 Stat. 437); the Act of April 17, 1926 (44 Stat. 301); the Act of February 7, 1927 (44 Stat. 1057); and all Acts heretofore or hereafter enacted that are amendatory of or supplementary to any of the foregoing Acts;'

(2) in paragraph (20)(A), by striking `: *Provided*, That' and all that follows through `subject of the judicial proceeding';

(3) in paragraph (20)(B), by striking `(with written notice to the lessee who designated the designee)';

(4) in paragraph (23)(A), by striking `(with written notice to the lessee who designated the designee)';

(5) by striking paragraph (24) and inserting the following:

`(24) `designee' means a person who pays, offsets, or credits monies, makes adjustments, requests and receives refunds, or submits reports with respect to payments a lessee must make pursuant to section

102(a)';

(6) in paragraph (25)(B)--

(A) by striking `(subject to the provisions of section 102(a) of this Act)'; and

(B) in clause (ii) by striking the matter after subclause (IV) and inserting the following:

`that arises from or relates to any lease, easement, right-of-way, permit, or other agreement regardless of form administered by the Secretary for, or any mineral leasing law related to, the exploration, production, and development of oil and gas or other energy resource on Federal lands or the Outer Continental Shelf;';

(7) in paragraph (29), by inserting `or permit' after `lease'; and

(8) by striking `and' after the semicolon at the end of paragraph (32), by striking the period at the end of paragraph (33) and inserting a semicolon, and by adding at the end the following new paragraphs:

`(34) `compliance review' means a full-scope or a limited-scope examination of a lessee's lease accounts to compare one or all elements of the royalty equation (volume, value, royalty rate, and allowances) against anticipated elements of the royalty equation to test for variances; and

`(35) `marketing affiliate' means an affiliate of a lessee whose function is to acquire the lessee's production and to market that production.'.

SEC. 202. COMPLIANCE REVIEWS.

Section 101 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1711) is amended by adding at the end the following new subsection:

`(d) The Secretary may, as an adjunct to audits of accounts for leases, utilize compliance reviews of accounts. Such reviews shall not constitute nor substitute for audits of lease accounts. Any disparity uncovered in such a compliance review shall be immediately referred to a program auditor. The Secretary shall, before completion of a compliance review, provide notice of the review to designees whose obligations are the subject of the review.'.

SEC. 203. CLARIFICATION OF LIABILITY FOR ROYALTY PAYMENTS.

Section 102(a) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1712(a)) is amended to read as follows:

`(a) In order to increase receipts and achieve effective collections of royalty and other payments, a lessee who is required to make any royalty or other payment under a lease, easement, right-of-way, permit, or other agreement, regardless of form, or under the mineral leasing laws, shall make such payment in the time and manner as may be specified by the Secretary or the applicable delegated State. Any person who pays, offsets, or credits monies, makes adjustments, requests and receives refunds, or submits reports with respect to payments the lessee must make is the lessee's designee under this Act. Notwithstanding any other provision of this Act to the contrary, a designee shall be

liable for any payment obligation of any lessee on whose behalf the designee pays royalty under the lease. The person owning operating rights in a lease and a person owning legal record title in a lease shall be liable for that person's pro rata share of payment obligations under the lease.'

SEC. 204. REQUIRED RECORDKEEPING.

Section 103(b) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1712(a)) is amended by striking `6' and inserting `7'.

SEC. 205. FINES AND PENALTIES.

Section 109 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1719) is amended--

(1) in subsection (a) in the matter following paragraph (2), by striking `\$500' and inserting `\$1,000';

(2) in subsection (a)(2)(B), by inserting `(i)' after `such person', and by striking the period at the end and inserting `; and (ii) has not received notice, pursuant to paragraph (1), of more than two prior violations in the current calendar year.';

(3) in subsection (b), by striking `\$5,000' and inserting `\$10,000';

(4) in subsection (c)--

(A) in paragraph (2), by striking `; or' and inserting `, including any failure or refusal to promptly tender requested documents;';

(B) in paragraph (3)--

(i) by striking `\$10,000' and inserting `\$20,000'; and

(ii) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

`(4) knowingly or willfully fails to make any royalty payment in the amount or value as specified by statute, regulation, order, or terms of the lease; or

`(5) fails to correctly report and timely provide operations or financial records necessary for the Secretary or any authorized designee of the Secretary to accomplish lease management responsibilities,';

(5) in subsection (d), by striking `\$25,000' and inserting `\$50,000';

(6) in subsection (h), by striking `by registered mail' and inserting `a common carrier that provides proof of delivery'; and

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

`(1)(1) Any determination by the Secretary or a designee of the Secretary that a person has committed a violation under subsection (a), (c), or (d)(1) shall toll any applicable statute of limitations for all oil and gas leases held or operated by such person, until the later of--

`(A) the date on which the person corrects the violation and certifies that all violations of a like nature have been corrected for all of the oil and gas leases held or operated by such person; or

`(B) the date a final, nonappealable order has been issued by the Secretary or a court of competent jurisdiction.

`(2) A person determined by the Secretary or a designee of the Secretary to have violated subsection (a), (c), or (d)(1) shall maintain all records with respect to the person's oil and gas leases until the later of--

`(A) the date the Secretary releases the person from the obligation to maintain such records; and

`(B) the expiration of the period during which the records must be maintained under section 103(b).'

SEC. 206. INTEREST ON OVERPAYMENTS.

Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721) is amended--

(1) by amending subsections (h) and (i) to read as follows:

`(h) Interest shall not be allowed nor paid nor credited on any overpayment, and no interest shall accrue from the date such overpayment was made.

`(i) A lessee or its designee may make a payment for the approximate amount of royalties (hereinafter in this subsection referred to as the `estimated payment') that would otherwise be due for such lease by the date royalties are due for that lease. When an estimated payment is made, actual royalties are payable at the end of the month following the month in which the estimated payment is made. If the estimated payment was less than the amount of actual royalties due, interest is owed on the underpaid amount. If the lessee or its designee makes a payment for such actual royalties, the lessee or its designee may apply the estimated payment to future royalties. Any estimated payment may be adjusted, recouped, or reinstated by the lessee or its designee provided such adjustment, recoupment or reinstatement is made within the limitation period for which the date royalties were due for that lease.';

(2) by striking subsection (j); and

(3) in subsection (k)(4)--

(A) by striking `or overpaid royalties and associated interest'; and

(B) by striking `, refunded, or credited'.

SEC. 207. ADJUSTMENTS AND REFUNDS.

Section 111A of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721a) is amended--

(1) in subsection (a)(3), by inserting `(A)' after `(3)', and by striking the last sentence and inserting the following:

(B) Except as provided in subparagraph (C), no adjustment may be made with respect to an obligation that is the subject of an audit or compliance review after completion of the audit or compliance review, respectively, unless such adjustment is approved by the Secretary or the applicable delegated State, as appropriate.

(C) If an overpayment is identified during an audit, the Secretary shall allow a credit in the amount of the overpayment.';

(2) in subsection (a)(4)--

(A) by striking `six' and inserting `four'; and

(B) by striking `shall' and inserting `may'; and

(3) in subsection (b)(1) by striking `and' after the semicolon at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting `; and', and by adding at the end the following:

(E) is made within the adjustment period for that obligation.'

SEC. 208. CONFORMING AMENDMENT.

Section 114 of the Federal Oil and Gas Royalty Management Act of 1982 is repealed.

SEC. 209. OBLIGATION PERIOD.

Section 115(c) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724(c)) is amended by adding at the end the following new paragraph:

(3) ADJUSTMENTS- In the case of an adjustment under section 111A(a) in which a recoupment by the lessee results in an underpayment of an obligation, for purposes of this Act the obligation becomes due on the date the lessee or its designee makes the adjustment.'

SEC. 210. NOTICE REGARDING TOLLING AGREEMENTS AND SUBPOENAS.

(a) Tolling Agreements- Section 115(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724(d)(1)) is amended by striking `(with notice to the lessee who designated the designee)'

(b) Subpoenas- Section 115(d)(2)(A) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724(d)(2)(A)) is amended by striking `(with notice to the lessee who designated the designee, which notice shall not constitute a subpoena to the lessee)'.

SEC. 211. APPEALS AND FINAL AGENCY ACTION.

Paragraphs (1) and (2) of section 115(h) the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724(h)) are amended by striking `33' each place it appears and inserting `48'.

SEC. 212. ASSESSMENTS.

Section 116 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724) is repealed.

SEC. 213. COLLECTION AND PRODUCTION ACCOUNTABILITY.

(a) Pilot Project- Within two years after the date of enactment of this Act, the Secretary shall complete a pilot project with willing operators of oil and gas leases on the Outer Continental Shelf that assesses the costs and benefits of automatic transmission of oil and gas volume and quality data produced under Federal leases on the Outer Continental Shelf in order to improve the production verification systems used to ensure accurate royalty collection and audit.

(b) Report- The Secretary shall submit to Congress a report on findings and recommendations of the pilot project within 3 years after the date of enactment of this Act.

SEC. 214. NATURAL GAS REPORTING.

The Secretary shall, within 180 days after the date of enactment of this Act, implement the steps necessary to ensure accurate determination and reporting of BTU values of natural gas from all Federal oil and gas leases to ensure accurate royalty payments to the United States. Such steps shall include, but not be limited to--

- (1) establishment of consistent guidelines for onshore and offshore BTU information from gas producers;
- (2) development of a procedure to determine the potential BTU variability of produced natural gas on a by-reservoir or by-lease basis;
- (3) development of a procedure to adjust BTU frequency requirements for sampling and reporting on a case-by-case basis;
- (4) systematic and regular verification of BTU information; and
- (5) revision of the `MMS-2014' reporting form to record, in addition to other information already required, the natural gas BTU values that form the basis for the required royalty payments.

SEC. 215. PENALTY FOR LATE OR INCORRECT REPORTING OF DATA.

(a) In General- The Secretary shall issue regulations by not later than 1 year after the date of enactment of this Act that establish a civil penalty for late or incorrect reporting of data under the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.).

(b) Amount- The amount of the civil penalty shall be--

(1) an amount (subject to paragraph (2)) that the Secretary determines is sufficient to ensure filing of data in accordance with that Act; and

(2) not less than \$10 for each failure to file correct data in accordance with that Act.

(c) Content of Regulations- Except as provided in subsection (b), the regulations issued under this section shall be substantially similar to part 216.40 of title 30, Code of Federal Regulations, as most recently in effect before the date of enactment of this Act.

SEC. 216. REQUIRED RECORDKEEPING.

Within 1 year after the date of enactment of this Act, the Secretary shall publish final regulations concerning required recordkeeping of natural gas measurement data as set forth in part 250.1203 of title 30, Code of Federal Regulations (as in effect on the date of enactment of this Act), to include operators and other persons involved in the transporting, purchasing, or selling of gas under the requirements of that rule, under the authority provided in section 103 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1713).

SEC. 217. LIMITATION ON ROYALTY IN-KIND PROGRAM.

(a) Mineral Leasing Act- Section 36 of the Mineral Leasing Act (30 U.S.C. 192) is amended by inserting before the period at the end of the first paragraph the following: `, except that the Secretary shall not conduct a regular program to take oil and gas lease royalties in oil or gas'.

(b) Outer Continental Shelf Lands Act- Section 27(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1353(a)) is amended by striking so much as precedes paragraph (2) and inserting the following:

SEC. 27. FEDERAL PURCHASE AND DISPOSITION OF OIL AND GAS.

Except as may be necessary to comply with sections 6 and 7 of this Act, all royalties or net profit shares, or both, accruing to the United States under any oil and gas lease issued or maintained in accordance with this Act, shall, on demand of the Secretary, be paid in oil or gas, except that the Secretary shall not conduct a regular program to take oil and gas lease royalties in oil or gas.'

SEC. 218. SHARED CIVIL PENALTIES.

Section 206 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724) is amended by striking `Such amount shall be deleted from any compensation due such State or Indian Tribe under section 202 or section 205 or such State under section 205.'.

SEC. 219. APPLICABILITY TO OTHER MINERALS.

Section 304 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1753) is amended by adding at the end the following new subsection:

`(e) Applicability to Other Minerals-

`(1) Notwithstanding any other provision of law, sections 107, 109, and 110 of this Act and the regulations duly promulgated with respect thereto shall apply to any lease authorizing the development of coal or any other solid mineral on any Federal lands or Indian lands, to the same extent as if such lease were an oil and gas lease, on the same terms and conditions as those authorized for oil and gas leases.

`(2) Notwithstanding any other provision of law, sections 107, 109, and 110 of this Act and the regulations duly promulgated with respect thereto shall apply with respect to any lease, easement, right-of-way, or other agreement, regardless of form (including any royalty, rent, or other payment due thereunder)--

`(A) under section 8(k) or 8(p) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k) and 1337(p)); or

`(B) under the Geothermal Steam Act (30 U.S.C. 1001 et seq.), to the same extent as if such lease, easement, right-of-way, or other agreement were an oil and gas lease on the same terms and conditions as those authorized for oil and gas leases.

`(3) For the purposes of this subsection, the term `solid mineral' means any mineral other than oil, gas, and geo-pressured-geothermal resources, that is authorized by an Act of Congress to be produced from public lands (as that term is defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)).'.

SEC. 220. ENTITLEMENTS.

Not later than 180 days after the date of enactment of this Act, the Secretary shall publish final regulations prescribing when a Federal lessee or designee must report and pay royalties on the volume of oil and gas it takes under either a Federal or Indian lease or on the volume to which it is entitled to based upon its ownership interest in the Federal or Indian lease. The Secretary shall give consideration to requiring 100 percent entitlement reporting and paying based upon the lease ownership.

TITLE III--OIL AND GAS LEASING REFORMS

SEC. 301. DILIGENT DEVELOPMENT.

(a) Regulations- The Secretary shall issue regulations within one year after the date of enactment of this Act that define `diligent development' for purposes of all new leases issued under the Mineral Leasing Act (30 U.S.C. 181 et seq.) and all new leases issued under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.). Such regulations shall--

(1) include benchmarks for oil and gas development that will ensure that leaseholders take all appropriate measures necessary to produce oil and gas from each lease that contains commercial quantities of oil and gas within the original term of the lease;

(2) require each leaseholder to submit to the Secretary a diligent development plan showing how the lessee will meet the benchmarks;

(3) provide accommodation for development delays, including lease suspensions, directed by the Secretary that restrict diligent development in order to meet environmental stipulations and considerations; and

(4) require submission of diligent development plans in an electronic format proscribed by the Secretary, which the Secretary shall make available for public review.

(b) Failure To Comply With Requirements- If any person fails to comply with the requirements of any regulation issued under this section, or any order issued to implement such a regulation, with respect to a lease, such lease may be terminated by the Secretary.

SEC. 302. REPORTING REQUIREMENTS.

(a) Biannual Reports- The Secretary shall require biannual reports from each Federal oil and gas lessee that holds a nonproducing lease on the actions the lessee has taken to diligently develop each Federal lease the lessee holds.

(b) Electronic Database- The Secretary shall establish and maintain an electronic database that is available to the public that identifies each Federal oil and gas lease, each lessee under such lease, the acreage held by each such lessee, and the progress made toward production under each such lease.

SEC. 303. NOTICE REQUIREMENTS.

Section 17(f) of the Mineral Leasing Act (30 U.S.C. 226(f)) is amended--

(1) by striking all through the first 2 sentences and inserting the following:

`(f)(1) At least 45 days before offering lands for lease under this section, and at least 30 days before approving applications for permits to drill under the provisions of a lease or substantially modifying the terms of any lease issued under this section, the Secretary shall provide notice of the proposed action to--

`(A) the general public by posting such notice in the appropriate local office and on the electronic website of the leasing and land management agencies offering the lands for lease;

`(B) all surface land owners in the area of the lands being offered for lease; and

`(C) the holders of special recreation permits for commercial use, competitive events, and other organized activities on the lands being offered for lease.

`(2)'; and

(2) by designating the last sentence as paragraph (3).

SEC. 304. OIL AND GAS LEASING SYSTEM.

(a) Onshore Oil and Gas Leasing- Section 17(a) of the Mineral Leasing Act (30 U.S.C. 226(a)) is amended to read as follows:

`(a)(1) All lands subject to disposition under this Act that are known or believed to contain oil or gas deposits may be leased by the Secretary.

`(2) Leasing activities under this Act shall be conducted to assure receipt of fair market value for the lands and resources leased and the rights conveyed by the Federal Government.'

(b) Competitive Bidding- Section 17(b) of the Mineral Leasing Act (30 U.S.C. 226(b)), is amended by striking so much as precedes paragraph (2) and inserting the following:

`(b)(1)(A) All lands to be leased shall be leased as provided in this paragraph to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than 2,560 acres, except in Alaska, where units shall be not more than 5,760 acres. Such units shall be as nearly compact as possible. Lease sales shall be conducted by sealed bid. Lease sales shall be held for a State on a statewide basis where eligible lands in such States are available no more than 3 times per year per State, unless the Secretary of the Interior determines additional sales are necessary. A lease shall be conditioned upon the payment of a royalty at a rate of not less than 12.5 percent in amount or value of the production removed or sold from the lease. The Secretary may issue a lease to the responsible qualified bidder with the highest bid that is equal to or greater than the national minimum acceptable bid, with evaluation of the value of the lands proposed for lease. The Secretary shall decide whether to accept a bid and issue a lease within 90 days following payment by the successful bidder of the remainder of the bonus bid, if any, and the annual rental for the first lease year. All bids for less than the national minimum acceptable bid shall be rejected.

`(B)(i) The national minimum acceptable bid shall be \$2.50 per acre, except that the Secretary may establish a higher minimum acceptable bid for leases of areas in a State for all leases awarded after the 2-year period beginning on the date of enactment of the Consolidated Land, Energy, and Aquatic Resources Act of 2009, if the Secretary finds that such a higher amount is necessary--

`(I) to enhance financial returns to the United States; and

`(II) to promote more efficient management of oil and gas resources on Federal lands.

`(ii) The proposal or promulgation of any regulation to establish a higher minimum acceptable bid for a State shall not be considered a major Federal action that is subject to the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969.'

(c) Rentals- Section 17(d) of the Mineral Leasing (30 U.S.C. 226(d)) is amended to read as follows:

`(d)(1) During the 2-year period beginning on the date of enactment of the Consolidated Land, Energy, and Aquatic Resources Act of 2009, all leases issued under this section shall be conditioned upon payment by the lessee of a rental of not less than \$2.50 per acre per year for the first through fifth years of the lease and not less than \$3 per acre per year for each year thereafter. After the end of such 2-year period, the Secretary may establish higher rental rates for all subsequent years, if the Secretary finds that such action is necessary--

`(A) to enhance financial returns to the United States; and

`(B) to promote more efficient management of oil and gas and alternative energy resources on Federal lands.

`(2) A minimum royalty in lieu of rental of not less than the rental that otherwise would be required for that lease year shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the land leased.'

(d) Elimination of Noncompetitive Leasing- The Mineral Leasing Act is amended--

(1) in section 17(b) (30 U.S.C. 226(b)), by striking paragraph (3);

(2) in section 17 (30 U.S.C. 226) by striking subsection (c);

(3) in section 17(e) (30 U.S.C. 226(e))--

(A) by striking `Competitive and noncompetitive leases' and inserting `Leases'; and

(B) by striking `competitive';

(4) in section 31(d)(1) (30 U.S.C. 188(d)(1)) by striking `or section 17(c)';

(5) in section 31(e) (30 U.S.C. 188(e))--

(A) in paragraph (2) by striking `, or the inclusion' and all that follows and inserting a semicolon; and

(B) in paragraph (3) by striking `(A)' and by striking subparagraph (B);

(6) by striking section 31(f) (30 U.S.C. 188(f)); and

(7) in section 31(g) (30 U.S.C. 188(g))--

(A) in paragraph (1) by striking `a competitive' and all that follows through the semicolon and inserting `in the same manner as the original lease issued pursuant to section 17;';

(B) by striking paragraph (2); and

(C) in paragraph (3) by striking `, applicable to leases issued under subsection 17(c) of this Act (30 U.S.C. 226(c)) except,' and inserting `, except'.

SEC. 305. ELECTRONIC REPORTING.

(a) Rights-of-way- Section 28(w) of the Mineral Leasing Act (30 U.S.C. 185(w)) is amended by adding at the end the following:

“(4) Upon request of a Committee listed under paragraph (1), that Committee may receive notifications under this subsection in electronic format in addition to in writing, or in electronic format alone. The Committee shall designate to the Secretary the appropriate individual or individuals on the Committee to receive such electronic notices.”.

(b) Lease Reinstatement- Section 31(e) of the Mineral Leasing Act (30 U.S.C. 188(e)) is amended by adding at the end the following: “Upon request of such a Committee, that Committee may receive notifications under this subsection in electronic format in addition to in writing, or in electronic format alone. The Committee shall designate to the Secretary the appropriate individual or individuals on the Committee to receive such electronic notices.”.

SEC. 306. BEST MANAGEMENT PRACTICES.

Not later than one year after the date of enactment of this Act, the Secretary of the Interior shall promulgate final regulations that require oil and gas operators to use best management practices that ensure the sound, efficient, and environmentally responsible development of oil and gas on Federal lands in a manner that avoids where practical, minimizes, and mitigates actual and anticipated impacts to environmental habitat functions resulting from oil and gas development. Such regulations may allow the Secretary to approve site-specific adjustments to address unique issues and circumstances, on a case-by-case basis. All such regulations shall be consistent with the United States trust responsibility to Indian tribes.

SEC. 307. COAL MINE METHANE RECOVERY.

Section 2 of the Mineral Leasing Act (30 U.S.C. 201 et seq.) is amended by adding at the end the following:

“(e) Notwithstanding any other provision of law, any Federal coal lease and any modification of an existing coal lease issued under this section shall include terms that establish the following:

“(1) Coal mine methane released in conjunction with mining activities shall be deemed to be included within the scope of the coal lease if the United States owns both the coal and gas resources.

“(2) Any coal lease issued on lands for which the United States owns both the coal and gas resources shall include a requirement that the lessee recover the coal mine methane associated with the leased coal resources to the maximum feasible extent, taking into account the economics of both the mining and methane capture operations.

“(3) Prior to the issuance of a lease for recovery of coal by deep mining operations, the Secretary shall require an analysis to determine the extent to which coal mine methane can be economically captured and either put to productive use or flared. The cost of the analysis shall be paid by the lessee and carried out by a person chosen by the Secretary with professional qualifications in the capture of coal mine methane and without financial or other economic ties to the lessee.

`(4) If the Secretary determines that recovery or flaring of coal mine methane under a lease is not economically feasible pursuant to paragraph (2), or cannot be carried out in a manner that assures the protection of mine workers, coal mining under such lease may proceed without requiring recovery or flaring of the coal mine methane.

`(5) Any coal lease that involves federally owned coal and nonfederally owned gas resources shall require the coal operator to make a reasonable effort to negotiate an arrangement with the gas owner in advance of conducting any mining operations. If the coal lessee and gas owner are unable to arrange for the joint development of the coal and coal mine methane, and if the joint development of those resources is economically feasible, the Secretary may seek a court order to allow coal mining and methane capture to proceed by the coal lessee, subject to a reasonable division of the proceeds from the sale of the coal and methane resources.

`(6) Any assessment of fair market value required by subsection (a)(1) shall include the value of any Federal coal mine methane that is associated with Federal coal resources and subject to capture and use under this section.

`(7) Any Federal coal mine methane resources that are captured and used or sold pursuant to a Federal coal lease shall be subject to a royalty of not less than 12.5 percent.'

SEC. 308. ENVIRONMENTAL REVIEW.

Section 390 of the Energy Policy Act of 2005 (Public Law 109-58; 42 U.S.C. 15942) is repealed.

SEC. 309. AMENDMENTS TO OUTER CONTINENTAL SHELF LANDS ACT.

(a) Clarification Relating to Alternative Energy Development- Section 8(p)(1) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(p)(1)) is amended--

(1) in the matter preceding subparagraph (A), by striking `or other applicable law,','; and

(2) by amending subparagraph (D) to read as follows:

`(D) use, for energy-related purposes, facilities currently or previously used for activities authorized under this Act, except that any oil and gas energy-related uses shall not be authorized in areas in which oil and gas preleasing, leasing, and related activities are prohibited by a moratorium.'

(b) Noncompetitive Alternative Energy Lease Options- Section 8(p)(3) of such Act (43 U.S.C. 1337(p)(3)) is amended to read as follows:

`(3) COMPETITIVE OR NONCOMPETITIVE BASIS- Any lease, easement, right-of-way, or other authorization granted under paragraph (1) shall be issued on a competitive basis, unless--

`(A) the lease, easement, right-of-way, or other authorization relates to a project that meets the criteria established under section 388(d) of the Energy Policy Act of 2005 (43 U.S.C. 1337 note; Public Law 109-58);

`(B) the lease, easement, right-of-way, or other authorization--

`(i) is for the placement and operation of a meteorological or marine data collection facility; and

`(ii) has a term of not more than 5 years; or

`(C) the Secretary determines, after providing public notice of a proposed lease, easement, right-of-way, or other authorization, that no competitive interest exists.'

(c) Outer Continental Shelf Leasing Program- Section 18(a) of such Act (43 U.S.C. 1344(a)) is amended by adding at the end the following new paragraph:

`(5) If a Strategic Plan has been approved under section 603 of the Consolidated Land, Energy, and Aquatic Resources Act of 2009 for a region of the outer Continental Shelf before publication of a proposed leasing program under subsection (c)(3), the Secretary--

`(A) shall not include in such leasing program any location in such region unless it is identified in that Strategic Plan as being suitable for oil and gas leasing; and

`(B) shall comply with any restrictions on the timing of leasing of such location as are recommended in that Strategic Plan.'

(d) Deposits Into Ocean Resources Conservation and Assistance Fund- Section 8 of such Act (43 U.S.C. 1337) is amended by adding at the end the following:

`(q) Deposits Into Ocean Resources Conservation and Assistance Fund- For fiscal year 2009 and for each fiscal year thereafter, 10 percent of the revenues generated by this section in that fiscal year shall be deposited in the Ocean Resources Conservation and Assistance Fund established by section 605 of the Consolidated Land, Energy, and Aquatic Resources Act of 2009.'

TITLE IV--FULL FUNDING FOR THE LAND AND WATER CONSERVATION FUND

SEC. 401. AMENDMENTS TO THE LAND AND WATER CONSERVATION FUND ACT OF 1965.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-4 et seq.).

SEC. 402. EXTENSION OF THE LAND AND WATER CONSERVATION FUND.

Section 2 (16 U.S.C. 4601-5) is amended by striking `September 30, 2015' both places it appears and inserting `September 30, 2040'.

SEC. 403. PERMANENT FUNDING.

(a) In General- Section 3 (16 U.S.C. 4601-6) is amended to read as follows:

` APPROPRIATIONS

`Sec. 3. Of the moneys covered into the fund, \$900,000,000 shall be available each fiscal year for expenditure for the purposes of this Act without further appropriation.'

(b) Conforming Amendment- Section 2(c)(2) (16 U.S.C. 4601-5(c)(2)) is amended by striking `: *Provided,*' and all that follows through the end of the sentence and inserting a period.

SEC. 404. ALLOCATION OF FUNDS.

Section 5 (16 U.S.C. 4601-7) is amended to read as follows:

` ALLOCATION

`Sec. 5. Of the amounts made available for each fiscal year to carry out this Act--

`(1) 50 percent shall be used to provide financial assistance to States under section 6; and

`(2) 50 percent shall be used for Federal purposes under section 7.'

TITLE V--NEW ONSHORE LEASING AUTHORITY

Subtitle A--Solar and Wind Leasing

SEC. 501. COMMERCIAL WIND AND SOLAR LEASING PROGRAM.

(a) In General- Pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and the National Forest Management Act of 1976 (16 U.S.C. 1600 et seq.), the Secretary, acting through the Director, may issue leases, on a competitive basis, for commercial solar or wind energy development on Federal lands under the administrative jurisdiction of the Bureau of Land Management or of the Forest Service, except that the Secretary may not issue any such lease on National Forest System lands over the objection of the Secretary of Agriculture.

(b) Final Regulations- Not later than 18 months after the date of enactment of this Act, the Secretary of the Interior shall publish final regulations establishing a commercial wind and solar leasing program under subsection (a).

(c) Commencement of Commercial Leasing for Solar and Wind Energy on Public Lands- Not later than 90 days after completion of regulations required under subsection (b), or as soon as practicable thereafter, and following consultation with affected governors and other stakeholders, the Secretary shall conduct lease sales under the regulations under this subtitle.

(d) Easements, Special-use Permits, and Rights-of-way- Upon completion of regulations required under subsection (b), easements, special-use permits, and rights-of-way shall not be available for commercial wind and solar projects on Federal lands under the administrative jurisdiction of the Bureau of Land Management or Forest Service, except for the placement and operation of testing or data collection devices or facilities that will not result in the commercial sale of electric power.

(e) Noncompetitive Leasing-

(1) IN GENERAL- The Secretary may issue leases under this section on a noncompetitive basis if--

(A) the lease is for resource data collection or equipment testing;

(B) the lease will not result in the commercial sale of electric power;

(C) the lease has a term of not more than 5 years; and

(D) the Secretary, after public notice of a proposed lease, determines that there is no competitive interest.

(2) PREFERENCE- In any competitive lease sale for lands subject to a lease awarded under this subsection, the Secretary may give a preference to the holder of the lease under this subsection.

(f) Transition to Commercial Leasing- The Secretary of the Interior, for lands under the jurisdiction of the Bureau of Land Management, and the Secretary of Agriculture, for lands under the jurisdiction of the Forest Service, may issue an easement, special-use permit, or right-of-way for a commercial wind or solar project for which--

(1) a plan of development has been submitted to the relevant Secretary before the date of enactment of this Act; or

(2) a meteorological testing tower or other data collection device has been installed under an approved easement, special-use permit, or right-of-way before the date of enactment of this Act.

(g) Diligent Development Requirements- The Secretary shall, by regulation, designate work requirements and milestones to ensure that diligent development is carried out under each lease issued under this subtitle.

SEC. 502. LAND MANAGEMENT.

The Secretary, in consultation with the Director of the Bureau of Land Management and the Chief of the Forest Service, shall issue regulations that--

(1) establish the duration of leases under this subtitle;

(2) require the holder of a lease granted under this subtitle to--

(A) furnish a surety bond or other form of security, as prescribed by the Director;

(B) upon completion of activities authorized by the lease provide for--

(i) the restoration of the area that is subject to the lease to the condition in which the area existed before the granting of the lease; or

(ii) mitigation activities if restoration to such condition is impractical; and

(C) comply with such other requirements as the Director and affected Federal land manager consider necessary to protect the interests of the public and the United States; and

(3) establish best management practices and require renewable energy operators to comply with those practices to ensure the sound, efficient, and environmentally responsible development of wind and solar resources on Federal lands in a manner that shall avoid, minimize, and mitigate actual and anticipated impacts to habitat and ecosystem function resulting from such development and to areas proposed for wilderness or other protection.

SEC. 503. REVENUES.

(a) Establishment of Payment Requirements- The Secretary shall establish royalties, fees, rentals, bonus bids, or other payments for leases issued under this subtitle, that shall--

(1) encourage development of solar and wind energy on public lands;

(2) ensure a fair return to the United States; and

(3) be commensurate with similar payments for the development of solar and wind energy on State and private lands.

(b) Deposit- All revenues for payments established under this section shall be deposited in the general fund of the Treasury.

SEC. 504. RECORDKEEPING AND REPORTING REQUIREMENTS.

(a) In General- A lessee, permit holder, operator, or other person directly involved in developing, producing, processing, transporting, purchasing, or selling renewable energy under this title, through the point of royalty computation, shall establish and maintain any records, make any reports, and provide any information that the Secretary may reasonably require for the purposes of implementing this section or determining compliance with rules or orders under this section. Such records shall include, but not be limited to, periodic reports, records, documents, and other data. Such reports may include, but not be limited to, pertinent technical and financial data relating to the resources being developed under the lease. Upon the request of any officer or employee duly designated by the Secretary conducting an audit or investigation pursuant to this section, the appropriate records, reports, or information that may be required by this section shall be made available for inspection and duplication by such officer or employee. Failure by a claim holder, operator, or other person referred to in the first sentence to cooperate with such an audit, provide data required by the Secretary, or grant access to information may, at the discretion of the Secretary, result in involuntary forfeiture of the lease or permit.

(b) Maintenance- Records required by the Secretary under this section shall be maintained for 7 years after release of financial assurance unless the Secretary notifies the operator that the Secretary has initiated an audit or investigation involving such records and that such records must be maintained for a longer period. In any case when an audit or investigation is underway, records shall be maintained until the Secretary releases the operator of the obligation to maintain such records.

SEC. 505. AUDITS.

The Secretary may conduct such audits of all lessees and permit holders, operators, transporters, purchasers, processors, or other persons directly or indirectly involved in the production or sales of renewable energy resources covered by this Act, as the Secretary deems necessary for the purposes of ensuring compliance with the requirements of this title. For purposes of performing such audits, the Secretary shall, at reasonable times and upon request, have access to, and may copy, all books, papers and other documents that relate to compliance with any provision of this section by any person.

SEC. 506. TRADE SECRETS.

Trade secrets, proprietary information, and other confidential information protected from disclosure under section 552 of title 5, United States Code (popularly known as the Freedom of Information Act), shall be made available by the Secretary to other Federal agencies as necessary to assure compliance with this Act and other Federal laws.

SEC. 507. INTEREST AND SUBSTANTIAL UNDERREPORTING ASSESSMENTS.

(a) Interest- In the case of renewable energy leases or permits under which royalty payments are not received by the Secretary on the date that such payments are due, the Secretary shall charge interest on such underpayments at the same interest rate as the rate applicable under section 6621(a)(2) of the Internal Revenue Code of 1986. In the case of an underpayment, interest shall be computed and charged only on the amount of the deficiency and not on the total amount.

(b) Penalty- If there is any underreporting of royalty owed on production from a lease or permit for any production month by any person liable for royalty payments under this title, the Secretary shall assess a penalty of not greater than 25 percent of the amount of that underreporting.

(c) Underreporting Defined- For the purposes of this section, the term 'underreporting' means the difference between the royalty on the value of the production that should have been reported and the royalty on the value of the production that was reported, if the value that should have been reported is greater than the value that was reported.

(d) Waiver or Reduction-

(1) IN GENERAL- The Secretary may waive or reduce the assessment provided in subsection (b) if the person liable for royalty payments under this section corrects the underreporting before the date such person receives notice from the Secretary that an underreporting may have occurred, or before 90 days after the date of the enactment of this section, whichever is later.

(2) REQUIRED WAIVER- The Secretary shall waive any portion of an assessment under subsection (b) attributable to that portion of the underreporting for which the person responsible for paying the royalty demonstrates that--

(A) such person had written authorization from the Secretary to report royalty on the value of the production on basis on which it was reported;

(B) such person had substantial authority for reporting royalty on the value of the production on the basis on which it was reported;

(C) such person previously had notified the Secretary, in such manner as the Secretary may by rule prescribe, of relevant reasons or facts affecting the royalty treatment of specific production that led to the underreporting; or

(D) such person meets any other exception that the Secretary may, by rule, establish.

(e) Expanded Royalty Obligations- Each person liable for royalty payments under this section shall be jointly and severally liable for royalty on renewable energy resources produced under a lease issued under this Act when such loss or waste is due to negligence on the part of any person or due to the failure to comply with any rule, regulation, or order issued under this section.

(f) Failure To Comply With Royalty Requirements- Any person who fails to comply with the requirements of this section or any regulation or order issued to implement this section shall be liable for a civil penalty under section 109 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1719) to the same extent as if the failure to comply occurred under that Act.

(g) Deposit of Penalties- All penalties collected under this subsection shall be deposited in the general fund of the Treasury.

SEC. 508. INDIAN SAVINGS PROVISION.

Nothing in this subtitle shall abridge, diminish, or alter any right or interest of any affected Indian tribe. Nothing in this subtitle shall authorize any Federal agency or official to abridge, diminish, or alter any right or interest of any affected Indian tribe.

Subtitle B--Uranium Leasing

SEC. 511. FEDERAL LANDS URANIUM LEASING.

The Mineral Leasing Act (30 U.S.C. 181 et seq.) is amended by redesignating section 44 as section 45, and by inserting after section 43 the following new section:

SEC. 44. LEASING OF LANDS FOR URANIUM MINING.

(a) In General-

(1) WITHDRAWAL FROM ENTRY; LEASING REQUIREMENT- Effective upon the date of enactment of the Consolidated Land, Energy, and Aquatic Resources Act of 2009, all Federal lands are hereby permanently withdrawn from location and entry under section 2319 of the Revised Statutes (30 U.S.C. 22 et seq.) for uranium. After the end of the 2-year period beginning on such date of enactment, no uranium may be produced from Federal lands except pursuant to a lease issued under this Act.

(2) LEASING- The Secretary--

`(A) may divide any lands subject to this Act that are not withdrawn from mineral leasing and that are otherwise available for uranium leasing under applicable law, including lands available under the terms of land use plans prepared by the Federal agency managing the land, into leasing tracts of such size as the Secretary finds appropriate and in the public interest; and

`(B) thereafter shall, in the Secretary's discretion, upon the request of any qualified applicant or on the Secretary's own motion, from time to time, offer such lands for uranium leasing and award uranium leases thereon by competitive bidding.

`(b) Fair Market Value Required-

`(1) IN GENERAL- No bid for a uranium lease shall be accepted that is less than the fair market value, as determined by the Secretary, of the uranium subject to the lease.

`(2) PUBLIC COMMENT- Prior to the Secretary's determination of the fair market value of the uranium subject to the lease, the Secretary shall give opportunity for and consideration to public comments on the fair market value.

`(3) DISCLOSURE NOT REQUIRED- Nothing in this section shall be construed to require the Secretary to make public the Secretary's judgment as to the fair market value of the uranium to be leased, or the comments the Secretary receives thereon prior to the issuance of the lease.

`(c) Lands Under the Jurisdiction of Other Agencies- Leases covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only--

`(1) upon consent of the head of the other Federal agency; and

`(2) upon such conditions the head of such other Federal agency may prescribe with respect to the use and protection of the nonmineral interests in those lands.

`(d) Consideration of Effects of Mining- Before issuing any uranium lease, the Secretary shall consider effects that mining under the proposed lease might have on an impacted community or area, including impacts on the environment, on agricultural, on cultural resources, and other economic activities, and on public services.

`(e) Notice of Proposed Lease- No lease sale shall be held for lands until after a notice of the proposed offering for lease has been given once a week for three consecutive weeks in a newspaper of general circulation in the county in which the lands are situated, or in electronic format, in accordance with regulations prescribed by the Secretary.

`(f) Auction Requirements- All lands to be leased under this section shall be leased to the highest responsible qualified bidder--

`(1) under general regulations;

`(2) in units of not more than 2,560 acres that are as nearly compact as possible; and

`(3) by oral bidding.

`(g) Required Payments-

`(1) IN GENERAL- A lease under this section shall be conditioned upon the payment by the lessee of--

`(A) a royalty at a rate of not less than 12.5 percent in amount or value of the production removed or sold under the lease; and

`(B) a rental of--

`(i) not less than \$2.50 per acre per year for the first through fifth years of the lease; and

`(ii) not less than \$3 per acre per year for each year thereafter.

`(2) USE OF REVENUES- Amounts received as revenues under this subsection with respect to a lease may be used by the Secretary of the Interior, subject to the availability of appropriations, for cleaning up uranium mill tailings and reclaiming abandoned uranium mines on Federal lands in accordance with the priorities and eligibility restrictions, respectively, under subsections (c) and (d) of section 411 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1240a).

`(h) Lease Term- A lease under this section--

`(1) shall be effective for a primary term of 10 years; and

`(2) shall continue in effect after such primary term for so long as uranium is produced under the lease in paying quantities.

`(i) Exploration Licenses-

`(1) IN GENERAL- The Secretary may, under such regulations as the Secretary may prescribe, issue to any person an exploration license. No person may conduct uranium exploration for commercial purposes on lands subject to this Act without such an exploration license. Each exploration license shall be for a term of not more than two years and shall be subject to a reasonable fee. An exploration license shall confer no right to a lease under this Act. The issuance of exploration licenses shall not preclude the Secretary from issuing uranium leases at such times and locations and to such persons as the Secretary deems appropriate. No exploration license may be issued for any land on which a uranium lease has been issued. A separate exploration license shall be required for exploration in each State. An application for an exploration license shall identify general areas and probable methods of exploration. Each exploration license shall be limited to specific geographic areas in each State as determined by the Secretary, and shall contain such reasonable conditions as the Secretary may require, including conditions to ensure the protection of the environment, and shall be subject to all applicable Federal, State, and local laws and regulations. Upon violation of any such conditions or laws the Secretary may revoke the exploration license.

`(2) LIMITATIONS- A licensee may not cause substantial disturbance to the natural land surface. A licensee may not remove any uranium for sale but may remove a reasonable amount of uranium from the lands subject to this Act included under the Secretary's license for analysis and study. A licensee must comply with all applicable rules and regulations of the Federal agency having jurisdiction over the surface of the lands subject to this Act. Exploration licenses covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued

only upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

`(3) SHARING OF DATA- The licensee shall furnish to the Secretary copies of all data (including geological, geophysical, and core drilling analyses) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased or until such time as the Secretary determines that making the data available to the public would not damage the competitive position of the licensee, whichever comes first.

`(4) EXPLORATION WITHOUT A LICENSE- Any person who willfully conducts uranium exploration for commercial purposes on lands subject to this Act without an exploration license issued under this subsection shall be subject to a fine of not more than \$1,000 for each day of violation. All data collected by such person on any Federal lands as a result of such violation shall be made immediately available to the Secretary, who shall make the data available to the public as soon as it is practicable. No penalty under this subsection shall be assessed unless such person is given notice and opportunity for a hearing with respect to such violation.

`(j) Conversion of Mining Claims to Mineral Leases-

`(1) IN GENERAL- The owner of any mining claim (in this subsection referred to as a `claimant') located prior to the date of enactment of the Consolidated Land, Energy, and Aquatic Resources Act of 2009 may, within two years after such date, apply to the Secretary of the Interior to convert the claim to a lease under this section. The Secretary shall issue a uranium lease under this section to the claimant upon a demonstration by the claimant, to the satisfaction of the Secretary, within one year after the date of the application to the Secretary, that the claim was, as of such date of enactment, supported by the discovery of a valuable deposit of uranium on the claimed land. The holder of a lease issued upon conversion from a mining claim under this subsection shall be subject to all the requirements of this section governing uranium leases, except that the holder shall pay a royalty of 6.25 percent on the value of the uranium produced under the lease, until beginning ten years after the date the claim is converted to a lease.

`(2) OTHER CLAIMS EXTINGUISHED- All mining claims located for uranium on Federal lands whose claimant does not apply to the Secretary for conversion to a lease, or whose claimant cannot make such a demonstration of discovery, shall become null and void by operation of law three years after such date of enactment.'

TITLE VI--OUTER CONTINENTAL SHELF COORDINATION AND PLANNING

SEC. 601. REGIONAL OUTER CONTINENTAL SHELF COORDINATION.

(a) In General- The purpose of this title is to promote coordinated regional planning efforts, to require that decisions are made using the best available science, and to ensure the protection and maintenance of ecosystem health in decisions affecting the siting of energy facilities and development of Federal renewable and nonrenewable energy resources on, in, or above the Outer Continental Shelf for the long-term economic and environmental benefit of the United States.

(b) Objectives of Regional Efforts- Such regional efforts shall achieve the following:

(1) Greater systematic communication and coordination among Federal, coastal State, and affected tribal governments concerned with the siting and development of Federal renewable and nonrenewable energy resources on, in, or above the Outer Continental Shelf.

(2) To the maximum extent feasible, greater reliance on a multiobjective, science- and ecosystem-based, spatially explicit management approach that integrates regional economic, ecological, affected tribal, and social objectives into energy development decisions.

(3) Identification and prioritization of shared State and Federal energy development issues.

(4) Identification of data and information needed by the Regional Outer Continental Shelf Councils established under section 602.

(c) Regions- There are hereby designated the following Outer Continental Shelf Regions:

(1) PACIFIC OUTER CONTINENTAL SHELF REGION- The Pacific Outer Continental Shelf Region, which shall consist of the Outer Continental Shelf adjacent to the States of Washington, Oregon, California, and Hawaii.

(2) GULF OF MEXICO OUTER CONTINENTAL SHELF REGION- The Gulf of Mexico Outer Continental Shelf Region, which shall consist of the Outer Continental Shelf adjacent to the States of Texas, Louisiana, Mississippi, and Alabama, and the west coast of Florida.

(3) ATLANTIC OUTER CONTINENTAL SHELF REGION- The Atlantic Outer Continental Shelf Region, which shall consist of the Outer Continental Shelf adjacent to the States of Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina, and Georgia, the east coast of Florida, and the Straits of Florida Planning Area.

(4) ALASKA OUTER CONTINENTAL SHELF REGION- The Alaska Outer Continental Shelf Region, which shall consist of the Outer Continental Shelf adjacent to the State of Alaska.

SEC. 602. REGIONAL OUTER CONTINENTAL SHELF COUNCILS.

(a) In General- Within 180 days after the date of enactment of this Act, the Secretary of the Interior and the Secretary of Commerce, in consultation with the affected coastal States and affected Indian tribes, shall establish or designate a Regional Outer Continental Shelf Council for each of the Outer Continental Shelf Regions designated by section 601(c).

(b) Membership-

(1) FEDERAL REPRESENTATIVES- Within 90 days after the date of enactment of this Act, the Secretary of the Interior, in consultation with the Secretary of Commerce, shall publish the titles of the officials of each Federal agency and department that shall participate in each Council. The Secretary of the Interior, in consultation with the Secretary of Commerce, shall include in such officials representatives of each Federal agency and department that has expertise in energy production facility siting and development or ocean and coastal policy, or engages in planning, management, or scientific activities that significantly affect or inform the use of ocean waters, coastal waters, or ocean resources or other affected uses. The Secretary of the Interior, or at the Secretary of

the Interior's discretion, the Secretary of Commerce, shall serve as the chairperson of each Council.

(2) COASTAL STATE REPRESENTATIVES-

(A) NOTICE OF INTENT TO PARTICIPATE- The Governor of each coastal State within each Outer Continental Shelf Region designated by section 601(c) shall within 3 months after the date of enactment of this Act, inform the Secretary and the Secretary of Commerce whether or not the State intends to participate in the Council for the Outer Continental Shelf Region.

(B) APPOINTMENT OF RESPONSIBLE STATE OFFICIAL- If the Governor of a coastal State informs the Secretaries in accordance with subparagraph (A) that the State intends to participate in such Council, the Governor shall appoint an officer or employee of the coastal State agency with primary responsibility for overseeing ocean and coastal policy or resource management to that Council.

(3) REGIONAL FISHERIES REPRESENTATION- The Chair of each Regional Fishery Management Council with jurisdiction in the Outer Continental Shelf Region of a Council and the executive director of the interstate marine fisheries commission with jurisdiction in the Outer Continental Shelf Region of a Council shall each serve as a member of the Council.

(4) REGIONAL OCEAN PARTNERSHIP REPRESENTATION- A representative of any Regional Ocean Partnership that has been established for any part of the Outer Continental Shelf Region of a Council may appoint a representative to serve on the Council in addition to any Federal or State appointment.

(5) TRIBAL REPRESENTATION- An appropriate tribal official selected by affected Indian tribes situated in the affected Outer Continental Shelf Region may elect to appoint a representative of such tribes collectively to serve as a member of the Council.

(6) OTHER REPRESENTATION- The Director shall appoint such other representatives to serve on a Council as the Director determines appropriate to achieve balanced representation from the energy, shipping and transportation, marine tourism, and recreation industries, and from marine environmental nongovernmental organizations, and scientific and educational authorities with expertise in energy siting and development, land and water resource management, and conservation of ocean and coastal species and the habitat that they depend upon.

(c) Coordination With Existing Regional Ocean Partnerships and Other Similar Programs- Each Council shall build upon and complement current State, multistate, and regional capacity and governance and institutional mechanisms to manage and protect ocean waters, coastal waters, and ocean resources.

SEC. 603. REGIONAL OUTER CONTINENTAL SHELF STRATEGIC PLANS.

(a) Initial Outer Continental Shelf Region Assessment-

(1) IN GENERAL- The Secretary, in consultation with the Secretary of Commerce and the heads of other Federal agencies authorized to provide marine ecosystem science expertise, shall, within one year after the date of enactment of this Act, prepare an initial assessment of each Outer Continental

Shelf Region that shall identify deficiencies in data and information necessary to informed decisionmaking. Each initial assessment shall to the extent feasible--

- (A) identify the Region's potential alternative energy resources and energy-related mineral resources;
- (B) identify the Region's existing infrastructure and projections for future transmission requirements;
- (C) document the health and relative environmental sensitivity of the marine ecosystem including a comprehensive survey of species, habitats, and indicators of ecosystem health;
- (D) identify marine habitat types and important marine ecological areas within the Region;
- (E) assess the Region's marine economy and cultural attributes; and
- (F) inventory other existing uses of the Outer Continental Shelf in the Region.

(2) DATA- Each initial assessment shall--

- (A) use the best available data;
- (B) collect and provide data in a spatially explicit manner wherever practicable and provide such data to the interagency comprehensive digital mapping initiative as described in section 2 of Public Law 109-58 (42 U.S.C. 15801); and
- (C) make publicly available any such data that is not classified information.

(b) Regional Outer Continental Shelf Strategic Plans-

(1) REQUIREMENT- Each Council shall, within 2 years after the completion of the initial Outer Continental Shelf Region assessment, prepare and submit to the Secretaries a multiobjective, science and ecosystem-based, spatially explicit, integrated marine energy and energy-related mineral resources Strategic Plan in accordance with this subsection.

(2) MANAGEMENT OBJECTIVE- The management objective of the Strategic Plans under this subsection shall be to foster sustainable development of additional energy resources from the Outer Continental Shelf, while protecting marine ecosystem health and sustaining the long-term economic and ecosystem values of the oceans.

(3) CONTENTS- Each Strategic Plan prepared by a Council shall--

- (A) be based on the Outer Continental Shelf Region assessment and updates for the Region under subsections (a) and (c), respectively;
- (B) foster sustainable ocean energy development in a manner that protects the health of marine ecosystems;
- (C) identify areas with potential for siting and developing renewable and nonrenewable energy resources in the Outer Continental Shelf Region covered by the Strategic Plan;

(D) identify and recommend long-term monitoring needs for ecosystem health and socioeconomic variables within the Outer Continental Shelf Region covered by the Strategic Plan;

(E) identify existing State and Federal regulating authorities within the Outer Continental Shelf Region covered by the Strategic Plan;

(F) identify best available technologies that can minimize adverse environmental impacts of construction and operation of energy facilities in the Region;

(G) identify additional research, information, and data needed to carry out the Strategic Plan;

(H) identify research, information, and data needed to carry out the Strategic Plan;

(I) identify performance measures and benchmarks for purposes of fulfilling the responsibilities under this section to be used to evaluate the Strategic Plan's effectiveness; and

(J) define responsibilities and include an analysis of the gaps in authority, coordination, and resources, including funding, that must be filled in order to fully achieve those performance measures and benchmarks.

(4) PUBLIC PARTICIPATION- Each Council shall provide adequate opportunities for review and input by stakeholders and the general public during the development of the Strategic Plan and any Strategic Plan revisions.

(c) Updated Outer Continental Shelf Region Assessments- The Secretary, in consultation with the Secretary of Commerce, and in consultation with the appropriate Council and other experts, shall update the initial Outer Continental Shelf Region assessment prepared under subsection (a) in coordination with each plan revision under subsection (e), to provide more detailed information regarding the required elements of the assessment and to include any relevant new information that has become available in the interim.

(d) Review and Approval-

(1) COMMENCEMENT OF REVIEW- Within 10 days after transmittal of a Strategic Plan under this section, or any revision to such a Strategic Plan, by a Council, the Secretary, in consultation with the Secretary of Commerce, shall commence a review of the Strategic Plan or the revised Strategic Plan, respectively.

(2) PUBLIC NOTICE AND COMMENT- Immediately after receipt of such a Strategic Plan or revision, the Secretary, in consultation with the Secretary of Commerce, shall publish the Strategic Plan or revision in the Federal Register and provide an opportunity for the submission of public comment for a 90-day period beginning on the date of such publication.

(3) REQUIREMENTS FOR APPROVAL- Before approving a Strategic Plan, or any revision to a Strategic Plan, the Secretary, in consultation with the Secretary of Commerce, must find that the Strategic Plan or revision--

(A) is consistent with the Outer Continental Shelf Lands Act;

(B) complies with subsection (b); and

(C) complies with the purposes of this title as identified in section 601(a).

(4) DEADLINE FOR COMPLETION- Within 180 days after transmittal of a Strategic Plan, or a revision to a Strategic Plan, the Secretary, in consultation with the Secretary of Commerce, shall approve or disapprove the Strategic Plan or revision by written notice to the Council that submitted the Strategic Plan. If the Secretary disapproves the Strategic Plan, the Secretary, in consultation with the Secretary of Commerce, shall transmit to the Council that submitted the strategic Plan an identification of the deficiencies in the Strategic Plan and recommendations to improve the Strategic Plan. The Council shall submit a revised Strategic Plan to the Secretaries within 180 days after the Secretary transmits such deficiencies and recommendations.

(e) Plan Revision- Each Strategic Plan that is approved by the Secretary of the Interior, in consultation with the Secretary of Commerce, shall be reviewed and revised by the relevant Council at least once every 5 years. Such review and revision shall be based on the most recently updated Outer Continental Shelf Region assessment. Any proposed revisions to the Strategic Plan shall be transmitted to the Secretaries for review and approval pursuant to this section.

SEC. 604. REGULATIONS.

The Secretaries shall issue such regulations as the Secretaries consider necessary to ensure proper administration of this title.

SEC. 605. OCEAN RESOURCES CONSERVATION AND ASSISTANCE FUND.

(a) Establishment-

(1) IN GENERAL- There is established in the Treasury of the United States a separate account to be known as the Ocean Resources Conservation and Assistance Fund (in this section referred to as the 'ORCA Fund').

(2) CREDITS- The ORCA Fund shall be credited with amounts as specified in subsection (q) of section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337), as amended by section 401 of this Act.

(3) ALLOCATION OF THE ORCA FUND-

(A) IN GENERAL- Of the amounts deposited in the ORCA Fund each fiscal year--

(i) 50 percent shall be used by the Secretary to make grants to coastal States and affected Indian tribes under subsection (b);

(ii) 40 percent shall be allocated by the Secretary to the Ocean, Coastal and Great Lakes Grants Program established by subsection (c); and

(iii) 10 percent shall be used by the Secretary to make grants to Regional Ocean Partnerships under subsection (d).

(B) AVAILABILITY- Amounts deposited in the Fund shall be available to the Secretary of Commerce (in this section referred to as the `Secretary') for allocation under subparagraph (A) without further appropriation.

(4) PROCEDURES- The Secretary shall establish application, review, oversight, financial accountability, and performance accountability procedures for each grant program to which funds are allocated under this subsection.

(b) Grants to Coastal States-

(1) GRANT AUTHORITY- The Secretary may use amounts allocated under subsection (a)(3)(A)(i) to make grants to--

(A) coastal States pursuant to the formula established under section 306(c) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455(c)); and

(B) to affected Indian tribes based on and proportional to any specific coastal and ocean management authority granted to an affected tribe pursuant to affirmation of a Federal reserved right.

(2) ELIGIBILITY- To be eligible to receive a grant under this subsection, a coastal State or affected Indian tribe must prepare and revise a 5-year plan and annual work plans that--

(A) demonstrate that activities for which the coastal State or affected Indian tribe will use the funds are consistent with the eligible uses of the Fund identified in subsection (e); and

(B) provide mechanisms to ensure that funding is made available to government, nongovernment, and academic entities to carry out eligible activities at the county and local level.

(3) APPROVAL OF STATE AND AFFECTED TRIBAL PLANS- Such plans must be submitted to and approved by the Secretary.

(4) PUBLIC INPUT AND COMMENT- In determining whether to approve such plans, the Secretary shall provide opportunity for, and take into consideration, public input and comment on the plans from stakeholders and the general public.

(5) USE OF FUNDS- Any amounts provided as a grant under this subsection may only be used for activities described in subsection (e).

(c) Ocean and Coastal Grants Program-

(1) ESTABLISHMENT- The Secretary shall establish an Ocean, Coastal, and Great Lakes Grants Program for the purposes of allocating funds available under subsection (a)(3)(A)(ii).

(2) OCEAN, COASTAL, AND GREAT LAKES COUNCIL-

(A) IN GENERAL- The Secretary shall establish an Ocean, Coastal, and Great Lakes Council (in this section referred to as the `Council'), which shall consist of 12 members appointed by the Secretary with expertise in the conservation and management of ocean, coastal, and Great Lakes ecosystems and marine resources. In appointing members to the Council, the Secretary shall include a balanced diversity of representatives of relevant Federal agencies, affected Indian tribes, the private sector,

nonprofit organizations, and academia.

(B) TERMS AND VACANCIES- The term of office of members of the Council shall be 3 years, except the Secretary shall designate shorter terms of initial members of the Council so that the terms of subsequent members are staggered. Whenever a vacancy occurs among members of the Council, the Secretary shall appoint an individual to fill that vacancy for the remainder of the applicable term.

(C) OFFICERS OF THE COUNCIL- The Council shall have a Chair and a Vice Chair, both of whom shall be elected by the Council by and from its members. The Chair and Vice Chair shall serve for a 3-year term, except that the first Chair and Vice Chair may be elected for a term of less than 3 years, as determined by the Council. The Council may elect any other officers it deems necessary to carry out its duties under this Act.

(D) QUORUM- Eight members of the Council shall constitute a quorum for the transaction of business.

(E) MEETINGS- The Council shall meet at the call of the Chair at least twice per year. Each meeting shall be open to the public.

(F) STAFF- The Chair of the Council may hire staff as needed within the constraints of available administrative funds to carry out its duties under this Act.

(G) FUNCTIONS- The Council shall--

(i) in consultation with the Secretary, establish procedures for applying for a grant under this subsection and criteria for evaluating applications for such grants consistent with subsection (e);

(ii) receive and review in accordance with those procedures and criteria grant applications under this subsection;

(iii) make recommendations to the Secretary regarding which grant applications should be funded and the amount of each grant; and

(iv) establish any specific requirements, conditions, or limitations on a grant application recommended for funding.

(3) ELIGIBILITY FOR GRANTS- The Secretary shall establish criteria in consultation with the Council to determine what persons are eligible for grants under the program. Such persons shall include but not be limited to Federal, State, affected tribal, and local agencies, fishery or wildlife management organizations, nonprofit organizations, and academic institutions.

(4) APPROVAL OF GRANTS- The Secretary shall approve grant applications on the basis of the Council's recommendations. If the Secretary disapproves a grant recommended by the Council, the Secretary shall explain that disapproval in writing.

(5) USE OF GRANT FUNDS- Any amounts provided as a grant under this subsection may only be used for activities described in subsection (e).

(d) Grants to Regional Ocean Partnerships-

- (1) GRANT AUTHORITY- The Secretary may use amounts allocated under subsection (a)(3)(A)(iii) to make grants to Regional Ocean Partnerships.
- (2) ELIGIBILITY- In order to be eligible to receive funds under subsection (a)(3)(A)(iii), a Regional Ocean Partnership must prepare and annually revise a plan that demonstrates that activities to be carried out with such funds are consistent with the eligible uses of the funds identified in subsection (e).
- (3) APPROVAL BY SECRETARY- Such plans must be submitted to and approved by the Secretary.
- (4) PUBLIC INPUT AND COMMENT- In determining whether to approve such plans, the Secretary shall provide opportunity for, and take into consideration, input and comment on the plans from stakeholders and the general public.
- (5) USE OF FUNDS- Any amounts provided as a grant under this subsection may only be used for activities described in subsection (e).
- (e) Eligible Use of Funds- Any funds made available under this section may only be used for activities that contribute to the conservation, protection, maintenance, and restoration of ocean, coastal, and Great Lakes ecosystems in a manner that is consistent with Federal environmental laws and that avoids environmental degradation, including--
- (1) activities to conserve, protect, maintain, and restore coastal, marine, and Great Lakes ecosystem health;
 - (2) activities to protect marine biodiversity and living marine and coastal resources and their habitats, including fish populations;
 - (3) the development and implementation of multiobjective, science- and ecosystem-based plans for monitoring and managing the wide variety of uses affecting ocean, coastal, and Great Lakes ecosystems and resources that consider cumulative impacts and are spatially explicit where appropriate;
 - (4) activities to improve the resiliency of those ecosystems;
 - (5) activities to improve the ability of those ecosystems to become more resilient, and to adapt to and withstand the impacts of climate change and ocean acidification;
 - (6) planning for and managing coastal development to minimize the loss of life and property associated with global climate change and the coastal hazards resulting from it;
 - (7) research, assessment, monitoring, and dissemination of information that contributes to the achievement of these purposes; and
 - (8) research of, protection of, enhancement to, and activities to improve the resiliency of culturally significant areas and resources.

SEC. 606. WAIVER.

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Regional Outer Continental Shelf Councils established under section 602.

SEC. 607. TRANSITION PERIOD.

(a) Activities Before Approval of Strategic Plan- Prior to approval by the Secretary of a Strategic Plan for an Outer Continental Shelf Region under section 603(d), the following activities shall not be affected by the preparation or proposal of such a Plan:

(1) Initiation of the process to develop a new 5-year leasing plan or amendment to such plan pursuant to section 18 of the Outer Continental Shelf Lands Act.

(2) Ongoing planning processes being conducted for that Region pursuant to section 18 of the Outer Continental Shelf Lands Act.

(3) Administrative procedures necessary to approve a 5-year plan developed pursuant to section 18 of the Outer Continental Shelf Lands Act, including approval and adoption of a 5-year plan.

(4) Leasing activity being conducted in that Region under a 5-year leasing plan approved by the Secretary of the Interior pursuant to section 18 of the Outer Continental Shelf Lands Act.

(5) Other activities that the Secretary may authorize pursuant to the Outer Continental Shelf Lands Act.

(b) Failure To Produce a Plan- Failure by a Council to produce a Strategic Plan for an Outer Continental Shelf Region, or failure of the Secretary, in consultation with the Secretary of Commerce, to approve a Strategic Plan for such a Region, shall not delay the process of preparing and approving any new 5-year drilling plan under the Outer Continental Shelf Lands Act and shall not delay any activities being conducted pursuant to an existing Outer Continental Shelf leasing program prepared and approved by the Secretary under section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) prior to the enactment of this Act.

SEC. 608. ALTERNATIVE ENERGY ON THE OUTER CONTINENTAL SHELF.

(a) Prior to Approval of Strategic Plan- Prior to approval of a Strategic Plan for an Outer Continental Shelf Region under subsection 603(d), the Secretary of the Interior shall continue to implement without delay the rule for Renewable Energy and Alternate Uses of Existing Facilities on the Outer Continental Shelf, as published in the Federal Register on April 29, 2009, in that Region.

(b) Approval of Strategic Plan- The approval of a Strategic Plan shall not affect--

(1) projects for which leases have been obtained under that rule prior to submittal of the Plan for approval; and

(2) tracts of the Outer Continental Shelf for which the competitive alternative energy leasing process under that rule has been initiated prior to submittal of the Plan for approval.

TITLE VII--MISCELLANEOUS PROVISIONS

SEC. 701. REPEAL OF CERTAIN TAXPAYER SUBSIDIZED ROYALTY RELIEF FOR THE OIL AND GAS INDUSTRY.

(a) Repeal of Provisions of Energy Policy Act of 2005- The following provisions of the Energy Policy Act of 2005 (Public Law 109-58) are repealed:

(1) Section 344 (42 U.S.C. 15904; relating to incentives for natural gas production from deep wells in shallow waters of the Gulf of Mexico).

(2) Section 345 (42 U.S.C. 15905; relating to royalty relief for deep water production in the Gulf of Mexico).

(b) Provisions Relating to Planning Areas Offshore Alaska- Section 8(a)(3)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(B)) is amended by striking `and in the Planning Areas offshore Alaska' after `West longitude'.

(c) Provisions Relating to Naval Petroleum Reserve in Alaska- Section 107 of the Naval Petroleum Reserves Production Act of 1976 (as transferred, redesignated, moved, and amended by section 347 of the Energy Policy Act of 2005 (119 Stat. 704)) is amended--

(1) in subsection (i) by striking paragraphs (2) through (6); and

(2) by striking subsection (k).

SEC. 702. PRODUCTION INCENTIVE FEE.

(a) Establishment- The Secretary shall, within 180 days after the date of enactment of this Act, issue regulations to establish an annual production incentive fee for all leases in effect on the date of enactment of this Act, of Federal onshore and offshore lands for production of oil or natural gas under which production is not occurring in commercial quantities or is not included in a unitization agreement under which production is not occurring in commercial quantities.

(b) Amount- The amount of the fee shall be, for each acre that is subject to a lease from which oil or natural gas is not produced in a calendar year, \$4 per acre in 2009 dollars.

(c) Assessment and Collection- The Secretary shall assess and collect the fee established under this section.

(d) Regulations- The Secretary may issue regulations to prevent evasion of the fee under this section.

SEC. 703. LEASING ON INDIAN LANDS.

Nothing in this Act modifies, amends, or affects leasing on Indian lands as currently carried out by the Bureau of Indian Affairs.

SEC. 704. OFFSHORE AQUACULTURE CLARIFICATION.

(a) No Authority- The Secretary of Commerce, the Administrator of the National Oceanic and Atmospheric Administration, or the Regional Fishery Management Councils shall not develop or approve a fishery management plan or fishery management plan amendment to permit or regulate offshore aquaculture.

(b) Permits Invalid- Any permit issued for the conduct of offshore aquaculture, including the siting or operation of offshore aquaculture facilities, under the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) shall be invalid upon enactment of this Act.

(c) Definitions- In this section:

(1) OFFSHORE AQUACULTURE- The term `offshore aquaculture' means all activities related to--

(A) the placement of any installation, facility, or structure in the exclusive economic zone for the purposes of propagation or rearing, or attempting to propagate or rear, any species; or

(B) the operation of offshore aquaculture facilities in the exclusive economic zone involved in the propagation or rearing, or attempted propagation or rearing, of species.

(2) OFFSHORE AQUACULTURE FACILITY- The term `offshore aquaculture facility' means--

(A) a structure, installation, or other complex used, in whole or in part, for offshore aquaculture; or

(B) an area of the seabed or the subsoil used for offshore aquaculture.

END