AMENDMENT TO H.R. 1338, AS REPORTED

OFFERED BY MR. THORNBERRY OF TEXAS

Add at the end the following new titles (and designate sections 1 through 10 as sections 101 and 110, respectively, of title I—Paycheck Fairness and conform cross references accordingly):

1 # TITLE II—REFINERIES

2 **SEC. 200. SHORT TITLE; TABLE OF CONTENTS.**

3 (a) SHORT TITLE.—Titles II through V of this Act
4 may be cited as the "No More Excuses Energy Act of
5 2007".

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

TITLE II—REFINERIES

Sec. 200. Short title; table of contents.
Sec. 201. Issuance of guidance.
Sec. 202. Tax-exempt financing of domestic use oil refinery facilities.
Sec. 203. Designation and availability of Federal lands for oil and natural gas refineries.

TITLE III—ALTERNATIVE ENERGY

Sec. 301. Extension of wind production tax credit.

TITLE IV—NUCLEAR ENERGY

Sec. 401. Waste Confidence.
Sec. 402. ASME Nuclear Certification credit.

TITLE V—DRILLING

Subtitle A—Tax Provisions

Sec. 501. Credit for producing fuel from nonconventional sources to apply to gas produced onshore from formations more than 15,000 feet deep.
Sec. 502. Tax credit for carbon dioxide captured from industrial sources and used in enhanced oil and natural gas recovery.

Subtitle B—Termination of Congressional Moratoria on Oil and Gas Development on the Outer Continental Shelf

Sec. 511. Termination of laws prohibiting expenditures for oil and natural gas leasing and preleasing activities regarding areas of the outer continental shelf.

Subtitle C—Oil and Gas Development on the Coastal Plain of Alaska

Sec. 521. Short title.
Sec. 522. Definitions.
Sec. 523. Leasing program for lands within the Coastal Plain.
Sec. 524. Lease sales.
Sec. 525. Grant of leases by the Secretary.
Sec. 526. Lease terms and conditions.
Sec. 527. Coastal plain environmental protection.
Sec. 528. Expedited judicial review.
Sec. 529. Federal and State distribution of revenues.
Sec. 530. Rights-of-way across the Coastal Plain.
Sec. 531. Conveyance.
Sec. 532. Local government impact aid and community service assistance.

1 **SEC. 201. ISSUANCE OF GUIDANCE.**

2 The Secretary of the Treasury shall, not later than
3 60 days after the date of the enactment of this Act, pre-
4 scribe the regulations described in paragraph (1) of sec-
5 tion 179C(b) of the Internal Revenue Code of 1986 (relat-
6 ing to election to expense certain refineries).

7 **SEC. 202. TAX-EXEMPT FINANCING OF DOMESTIC USE OIL**
8 **REFINERY FACILITIES.**

9 (a) IN GENERAL.—

10 (1) TREATMENT AS EXEMPT FACILITY BOND.—
11 Subsection (a) of section 142 of the Internal Rev-
12 enue Code of 1986 (relating to exempt facility bond)
13 is amended by striking "or" at the end of paragraph

1 (14), by striking the period at the end of paragraph
2 (15) and inserting ", and", and by inserting at the
3 end the following new paragraph:
4 "(16) domestic use oil refinery facilities.".
5 (2) DOMESTIC USE OIL REFINERY FACILI-
6 TIES.—Section 142 of such Code is amended by
7 adding at the end the following new subsection:
8 "(n) DOMESTIC USE OIL REFINERY FACILITIES.—
9 "(1) IN GENERAL.—For purposes of subsection
10 (a)(16), the term 'domestic use oil refinery facility'
11 means any facility in the United States—
12 "(A) which processes liquid fuel from
13 crude oil, and
14 "(B) all of the output of which it is rea-
15 sonably certain ultimate consumption will occur
16 in the United States.
17 "(2) ELECTION TO TERMINATE TAX-EXEMPT
18 BOND FINANCING BY CERTAIN REFINERIES.—In the
19 case of a facility financed with bonds which would
20 cease to be tax-exempt by reason of the failure to
21 meet the domestic use requirement of this sub-
22 section, rules similar to the rules of subsection (f)(4)
23 shall apply for purposes of this section.".

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to bonds issued after the date of
3 the enactment of this Act.

4 **SEC. 203. DESIGNATION AND AVAILABILITY OF FEDERAL**
5 **LANDS FOR OIL AND NATURAL GAS REFIN-**
6 **ERIES.**

7 (a) DESIGNATION.—Within 18 months after the date
8 of enactment of this Act, the President shall designate at
9 least ten sites on Federal lands that are suitable for the
10 siting of an oil refinery or natural gas refinery (or both).
11 (b) AVAILABILITY OF LANDS.—Within 24 months
12 after the date of enactment of this Act, the President shall
13 make each site designated under subsection (a) available
14 to the private sector for construction of an oil refinery or
15 natural gas refinery (or both), as appropriate.

16 **TITLE III—ALTERNATIVE**
17 **ENERGY**

18 **SEC. 301. EXTENSION OF WIND PRODUCTION TAX CREDIT.**

19 (a) IN GENERAL.—Paragraph (1) of section 45(d) of
20 the Internal Revenue Code of 1986 is amended by striking
21 "2009" and inserting "2019".
22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to property originally placed in
24 service on or after January 1, 2009.

TITLE IV—NUCLEAR ENERGY

SEC. 401. WASTE CONFIDENCE.

The Nuclear Regulatory Commission may not deny an application for a license, permit, or other authorization under the Atomic Energy Act of 1954 on the grounds that sufficient capacity does not exist, or will not become available on a timely basis, for disposal of spent nuclear fuel or high-level radioactive waste from the facility for which the license, permit, or other authorization is sought.

SEC. 402. ASME NUCLEAR CERTIFICATION CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45Q. ASME NUCLEAR CERTIFICATION CREDIT.

"(a) IN GENERAL.—For purposes of section 38, the ASME Nuclear Certification credit determined under this section for any taxable year is an amount equal to 15 percent of the qualified nuclear expenditures paid or incurred by the taxpayer.

"(b) QUALIFIED NUCLEAR EXPENDITURES.—For purposes of this section, the term 'qualified nuclear expenditures' means any expenditure related to—

1 "(1) obtaining a certification under the Amer-
2 ican Society of Mechanical Engineers Nuclear Com-
3 ponent Certification program, or
4 "(2) increasing the taxpayer's capacity to con-
5 struct, fabricate, assemble, or install components—
6 "(A) for any facility which uses nuclear en-
7 ergy to produce electricity, and
8 "(B) with respect to the construction, fab-
9 rication, assembly, or installation of which the
10 taxpayer is certified under such program.
11 "(c) TIMING OF CREDIT.—The credit allowed under
12 subsection (a) for any expenditures shall be allowed—
13 "(1) in the case of a qualified nuclear expendi-
14 ture described in subsection (b)(1), for the taxable
15 year of such certification, and
16 "(2) in the case of any other qualified nuclear
17 expenditure, for the taxable year in which such ex-
18 penditure is paid or incurred.
19 "(d) SPECIAL RULES.—
20 "(1) BASIS ADJUSTMENT.—For purposes of
21 this subtitle, if a credit is allowed under this section
22 for an expenditure, the increase in basis which would
23 result (but for this subsection) for such expenditure
24 shall be reduced by the amount of the credit allowed
25 under this section.

1 "(2) DENIAL OF DOUBLE BENEFIT.—No deduc-
2 tion shall be allowed under this chapter for any
3 amount taken into account in determining the credit
4 under this section.
5 "(e) TERMINATION.—This section shall not apply to
6 any expenditures paid or incurred in taxable years begin-
7 ning after December 31, 2019.".
8 (b) CONFORMING AMENDMENTS.—(1) Subsection (b)
9 of section 38 of such Code is amended by striking "plus"
10 at the end of paragraph (32), by striking the period at
11 the end of paragraph (33) and inserting ", plus", and by
12 adding at the end the following new paragraph:
13 "(34) the ASME Nuclear Certification credit
14 determined under section 45Q(a).".
15 (2) Subsection (a) of section 1016 of such Code (re-
16 lating to adjustments to basis) is amended by striking
17 "and" at the end of paragraph (35), by striking the period
18 at the end of paragraph (36) and inserting ", and", and
19 by adding at the end the following new paragraph:
20 "(37) to the extent provided in section
21 45Q(e)(1).".
22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to expenditures paid or incurred
24 in taxable years beginning after December 31, 2007.

TITLE V—DRILLING

Subtitle A—Tax Provisions

SEC. 501. CREDIT FOR PRODUCING FUEL FROM NONCONVENTIONAL SOURCES TO APPLY TO GAS PRODUCED ONSHORE FROM FORMATIONS MORE THAN 15,000 FEET DEEP.

(a) IN GENERAL.—Subparagraph (B) of section 45K(c)(1) of the Internal Revenue Code of 1986 is amended by striking "or" at the end of clause (i), by striking "and" at the end of clause (ii) and inserting "or", and by inserting after clause (ii) the following new clause:

"(iii) an onshore well from a formation more than 15,000 feet deep, and".

(b) ELIGIBLE DEEP GAS WELLS.—Section 45K of such Code is amended by adding at the end the following new subsection:

"(h) ELIGIBLE DEEP GAS WELLS.—In the case of a well producing qualified fuel described in subsection (c)(1)(B)(iii)—

"(1) for purposes of subsection (e)(1)(A), such well shall be treated as drilled before January 1, 1993, if such well is drilled after the date of the enactment of this subsection, and

"(2) subsection (e)(2) shall not apply.".

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years ending after the
3 date of the enactment of this Act.

4 **SEC. 502. TAX CREDIT FOR CARBON DIOXIDE CAPTURED**
5 **FROM INDUSTRIAL SOURCES AND USED IN**
6 **ENHANCED OIL AND NATURAL GAS RECOV-**
7 **ERY.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of
10 1986 (relating to business credits), as amended by section
11 402, is amended by adding at the end the following new
12 section:

13 **"SEC. 45R. CREDIT FOR CARBON DIOXIDE CAPTURED FROM**
14 **INDUSTRIAL SOURCES AND USED AS A TER-**
15 **TIARY INJECTANT IN ENHANCED OIL AND**
16 **NATURAL GAS RECOVERY.**

17 "(a) GENERAL RULE.—For purposes of section 38,
18 the captured carbon dioxide tertiary injectant credit for
19 any taxable year is an amount equal to the product of—
20 "(1) the credit amount, and
21 "(2) the qualified carbon dioxide captured from
22 industrial sources and used as a tertiary injectant in
23 qualified enhanced oil and natural gas recovery
24 which is attributable to the taxpayer.

1 "(b) CREDIT AMOUNT.—For purposes of this sec-
2 tion—
3 "(1) IN GENERAL.—The credit amount is $0.75
4 per 1,000 standard cubic feet.
5 "(2) INFLATION ADJUSTMENT.—In the case of
6 any taxable year beginning in a calendar year after
7 2007, there shall be substituted for the $0.75
8 amount under paragraph (1) an amount equal to the
9 product of—
10 "(A) $0.75, multiplied by
11 "(B) the inflation adjustment factor for
12 such calendar year determined under section
13 43(b)(3)(B) for such calendar year, determined
14 by substituting '2006' for '1990'.
15 "(c) QUALIFIED CARBON DIOXIDE.—For purposes of
16 this section—
17 "(1) IN GENERAL.—The term 'qualified carbon
18 dioxide' means carbon dioxide captured from an an-
19 thropogenic source that—
20 "(A) would otherwise be released into the
21 atmosphere as industrial emission of green-
22 house gas,
23 "(B) is measurable at the source of cap-
24 ture,

1 "(C) is compressed, treated, and trans-
2 ported via pipeline,
3 "(D) is sold as a tertiary injectant in
4 qualified enhanced oil and natural gas recovery,
5 and
6 "(E) is permanently sequestered in geologi-
7 cal formations as a result of the enhanced oil
8 and natural gas recovery process.
9 "(2) ANTHROPOGENIC SOURCE.—An anthropo-
10 genic source of carbon dioxide is an industrial
11 source, including any of the following types of
12 plants, and facilities related to such plant—
13 "(A) a coal and natural gas fired electrical
14 generating power station,
15 "(B) a natural gas processing and treating
16 plant,
17 "(C) an ethanol plant,
18 "(D) a fertilizer plant, and
19 "(E) a chemical plant.
20 "(3) DEFINITIONS.—
21 "(A) QUALIFIED ENHANCED OIL AND NAT-
22 URAL GAS RECOVERY.—The term 'qualified en-
23 hanced oil and natural gas recovery' has the
24 meaning given such term by section 43(c)(2).

1 "(B) TERTIARY INJECTANT.—The term
2 'tertiary injectant' has the same meaning as
3 when used within section 193(b)(1).
4 "(d) OTHER DEFINITIONS AND SPECIAL RULES.—
5 For purposes of this section—
6 "(1) ONLY CARBON DIOXIDE CAPTURED WITH-
7 IN THE UNITED STATES TAKEN INTO ACCOUNT.—
8 Sales shall be taken into account under this section
9 only with respect to qualified carbon dioxide of
10 which is within—
11 "(A) the United States (within the mean-
12 ing of section 638(1)), or
13 "(B) a possession of the United States
14 (within the meaning of section 638(2)).
15 "(2) RECYCLED CARBON DIOXIDE.—The term
16 'qualified carbon dioxide' includes the initial deposit
17 of captured carbon dioxide used as a tertiary
18 injectant. Such term does not include carbon dioxide
19 that is re-captured, recycled, and re-injected as part
20 of the enhanced oil and natural gas recovery process.
21 "(3) CREDIT ATTRIBUTABLE TO TAXPAYER.—
22 Any credit under this section shall be attributable to
23 the person that captures, treats, compresses, trans-
24 ports and sells the carbon dioxide for use as a ter-
25 tiary injectant in enhanced oil and natural gas re-

1 covery, except to the extent provided in regulations
2 prescribed by the Secretary.".
3 (b) CONFORMING AMENDMENT.—Section 38(b) of
4 such Code (relating to general business credit), as amend-
5 ed by section 402, is amended by striking "plus" at the
6 end of paragraph (33), by striking the period at the end
7 of paragraph (34) and inserting ", plus", and by adding
8 at the end of following new paragraph:
9 "(35) the captured carbon dioxide tertiary
10 injectant credit determined under section 45R(a).".
11 (c) CLERICAL AMENDMENT.—The table of sections
12 for subpart B of part IV of subchapter A of chapter 1
13 of such Code (relating to other credits) is amended by add-
14 ing at the end the following new section:

"Sec. 45R. Credit for carbon dioxide captured from industrial sources and used as a tertiary injectant in enhanced oil and natural gas recovery.".

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 the date of the enactment of this Act.

1 **Subtitle B—Termination of Con-**
2 **gressional Moratoria on Oil and**
3 **Gas Development on the Outer**
4 **Continental Shelf**

5 **SEC. 511. TERMINATION OF LAWS PROHIBITING EXPENDI-**
6 **TURES FOR OIL AND NATURAL GAS LEASING**
7 **AND PRELEASING ACTIVITIES REGARDING**
8 **AREAS OF THE OUTER CONTINENTAL SHELF.**

9 All provisions of existing Federal law prohibiting the
10 spending of appropriated funds to conduct oil and natural
11 gas leasing and preleasing activities for any area of the
12 Outer Continental Shelf shall have no force or effect.

13 **Subtitle C—Oil and Gas Develop-**
14 **ment on the Coastal Plain of**
15 **Alaska**

16 **SEC. 521. SHORT TITLE.**

17 This subtitle may be cited as the "American-Made
18 Energy and Good Jobs Act".

19 **SEC. 522. DEFINITIONS.**

20 In this subtitle:
21 (1) COASTAL PLAIN.—The term "Coastal
22 Plain" means that area described in appendix I to
23 part 37 of title 50, Code of Federal Regulations.

1 (2) SECRETARY.—The term "Secretary", except
2 as otherwise provided, means the Secretary of the
3 Interior or the Secretary's designee.

4 **SEC. 523. LEASING PROGRAM FOR LANDS WITHIN THE**
5 **COASTAL PLAIN.**

6 (a) IN GENERAL.—The Secretary shall take such ac-
7 tions as are necessary—

8 (1) to establish and implement, in accordance
9 with this subtitle and acting through the Director of
10 the Bureau of Land Management in consultation
11 with the Director of the United States Fish and
12 Wildlife Service, a competitive oil and gas leasing
13 program that will result in an environmentally sound
14 program for the exploration, development, and pro-
15 duction of the oil and gas resources of the Coastal
16 Plain; and

17 (2) to administer the provisions of this subtitle
18 through regulations, lease terms, conditions, restric-
19 tions, prohibitions, stipulations, and other provisions
20 that ensure the oil and gas exploration, development,
21 and production activities on the Coastal Plain will
22 result in no significant adverse effect on fish and
23 wildlife, their habitat, subsistence resources, and the
24 environment, including, in furtherance of this goal,
25 by requiring the application of the best commercially

1 available technology for oil and gas exploration, de-
2 velopment, and production to all exploration, devel-
3 opment, and production operations under this sub-
4 title in a manner that ensures the receipt of fair
5 market value by the public for the mineral resources
6 to be leased.
7 (b) REPEAL.—
8 (1) REPEAL.—Section 1003 of the Alaska Na-
9 tional Interest Lands Conservation Act of 1980 (16
10 U.S.C. 3143) is repealed.
11 (2) CONFORMING AMENDMENT.—The table of
12 contents in section 1 of such Act is amended by
13 striking the item relating to section 1003.
14 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
15 TAIN OTHER LAWS.—
16 (1) COMPATIBILITY.—For purposes of the Na-
17 tional Wildlife Refuge System Administration Act of
18 1966 (16 U.S.C. 668dd et seq.), the oil and gas
19 leasing program and activities authorized by this
20 section in the Coastal Plain are deemed to be com-
21 patible with the purposes for which the Arctic Na-
22 tional Wildlife Refuge was established, and no fur-
23 ther findings or decisions are required to implement
24 this determination.

1 (2) ADEQUACY OF THE DEPARTMENT OF THE
2 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT
3 STATEMENT.—The "Final Legislative Environ-
4 mental Impact Statement" (April 1987) on the
5 Coastal Plain prepared pursuant to section 1002 of
6 the Alaska National Interest Lands Conservation
7 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)
8 of the National Environmental Policy Act of 1969
9 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-
10 quirements under the National Environmental Policy
11 Act of 1969 that apply with respect to prelease ac-
12 tivities, including actions authorized to be taken by
13 the Secretary to develop and promulgate the regula-
14 tions for the establishment of a leasing program au-
15 thorized by this subtitle before the conduct of the
16 first lease sale.
17 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
18 TIONS.—Before conducting the first lease sale under
19 this subtitle, the Secretary shall prepare an environ-
20 mental impact statement under the National Envi-
21 ronmental Policy Act of 1969 with respect to the ac-
22 tions authorized by this Act that are not referred to
23 in paragraph (2). Notwithstanding any other law,
24 the Secretary is not required to identify nonleasing
25 alternative courses of action or to analyze the envi-

1 ronmental effects of such courses of action. The Sec-
2 retary shall only identify a preferred action for such
3 leasing and a single leasing alternative, and analyze
4 the environmental effects and potential mitigation
5 measures for those two alternatives. The identifica-
6 tion of the preferred action and related analysis for
7 the first lease sale under this subtitle shall be com-
8 pleted within 18 months after the date of enactment
9 of this Act. The Secretary shall only consider public
10 comments that specifically address the Secretary's
11 preferred action and that are filed within 20 days
12 after publication of an environmental analysis. Not-
13 withstanding any other law, compliance with this
14 paragraph is deemed to satisfy all requirements for
15 the analysis and consideration of the environmental
16 effects of proposed leasing under this subtitle.
17 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
18 ITY.—Nothing in this subtitle shall be considered to ex-
19 pand or limit State and local regulatory authority.
20 (e) SPECIAL AREAS.—
21 (1) IN GENERAL.—The Secretary, after con-
22 sultation with the State of Alaska, the city of
23 Kaktovik, and the North Slope Borough, may des-
24 ignate up to a total of 45,000 acres of the Coastal
25 Plain as a Special Area if the Secretary determines

1 that the Special Area is of such unique character
2 and interest so as to require special management
3 and regulatory protection. The Secretary shall des-
4 ignate as such a Special Area the Sadlerochit Spring
5 area, comprising approximately 4,000 acres.
6 (2) MANAGEMENT.—Each such Special Area
7 shall be managed so as to protect and preserve the
8 area's unique and diverse character including its
9 fish, wildlife, and subsistence resource values.
10 (3) EXCLUSION FROM LEASING OR SURFACE
11 OCCUPANCY.—The Secretary may exclude any Spe-
12 cial Area from leasing. If the Secretary leases a Spe-
13 cial Area, or any part thereof, for purposes of oil
14 and gas exploration, development, production, and
15 related activities, there shall be no surface occu-
16 pancy of the lands comprising the Special Area.
17 (4) DIRECTIONAL DRILLING.—Notwithstanding
18 the other provisions of this subsection, the Secretary
19 may lease all or a portion of a Special Area under
20 terms that permit the use of horizontal drilling tech-
21 nology from sites on leases located outside the Spe-
22 cial Area.
23 (f) LIMITATION ON CLOSED AREAS.—The Sec-
24 retary's sole authority to close lands within the Coastal

1 Plain to oil and gas leasing and to exploration, develop-
2 ment, and production is that set forth in this subtitle.
3 (g) REGULATIONS.—
4 (1) IN GENERAL.—The Secretary shall pre-
5 scribe such regulations as may be necessary to carry
6 out this subtitle, including rules and regulations re-
7 lating to protection of the fish and wildlife, their
8 habitat, subsistence resources, and environment of
9 the Coastal Plain, by no later than 15 months after
10 the date of enactment of this Act.
11 (2) REVISION OF REGULATIONS.—The Sec-
12 retary shall periodically review and, if appropriate,
13 revise the rules and regulations issued under sub-
14 section (a) to reflect any significant biological, envi-
15 ronmental, or engineering data that come to the Sec-
16 retary's attention.
17 **SEC. 524. LEASE SALES.**
18 (a) IN GENERAL.—Lands may be leased pursuant to
19 this subtitle to any person qualified to obtain a lease for
20 deposits of oil and gas under the Mineral Leasing Act (30
21 U.S.C. 181 et seq.).
22 (b) PROCEDURES.—The Secretary shall, by regula-
23 tion, establish procedures for—
24 (1) receipt and consideration of sealed nomina-
25 tions for any area in the Coastal Plain for inclusion

1 in, or exclusion (as provided in subsection (c)) from,
2 a lease sale;
3 (2) the holding of lease sales after such nomina-
4 tion process; and
5 (3) public notice of and comment on designa-
6 tion of areas to be included in, or excluded from, a
7 lease sale.
8 (c) LEASE SALE BIDS.—Bidding for leases under
9 this subtitle shall be by sealed competitive cash bonus bids.
10 (d) ACREAGE MINIMUM IN FIRST SALE.—In the first
11 lease sale under this subtitle, the Secretary shall offer for
12 lease those tracts the Secretary considers to have the
13 greatest potential for the discovery of hydrocarbons, tak-
14 ing into consideration nominations received pursuant to
15 subsection (b)(1), but in no case less than 200,000 acres.
16 (e) TIMING OF LEASE SALES.—The Secretary
17 shall—
18 (1) conduct the first lease sale under this sub-
19 title within 22 months after the date of the enact-
20 ment of this Act; and
21 (2) conduct additional sales so long as sufficient
22 interest in development exists to warrant, in the Sec-
23 retary's judgment, the conduct of such sales.

1 **SEC. 525. GRANT OF LEASES BY THE SECRETARY.**

2 (a) IN GENERAL.—The Secretary may grant to the
3 highest responsible qualified bidder in a lease sale con-
4 ducted pursuant to section 524 any lands to be leased on
5 the Coastal Plain upon payment by the lessee of such
6 bonus as may be accepted by the Secretary.

7 (b) SUBSEQUENT TRANSFERS.—No lease issued
8 under this subtitle may be sold, exchanged, assigned, sub-
9 let, or otherwise transferred except with the approval of
10 the Secretary. Prior to any such approval the Secretary
11 shall consult with, and give due consideration to the views
12 of, the Attorney General.

13 **SEC. 526. LEASE TERMS AND CONDITIONS.**

14 An oil or gas lease issued pursuant to this subtitle
15 shall—

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

21 (2) require that the lessee of lands within the
22 Coastal Plain shall be fully responsible and liable for
23 the reclamation of lands within the Coastal Plain
24 and any other Federal lands that are adversely af-
25 fected in connection with exploration, development,
26 production, or transportation activities conducted

1 under the lease and within the Coastal Plain by the
2 lessee or by any of the subcontractors or agents of
3 the lessee;
4 (3) provide that the lessee may not delegate or
5 convey, by contract or otherwise, the reclamation re-
6 sponsibility and liability to another person without
7 the express written approval of the Secretary;
8 (4) provide that the standard of reclamation for
9 lands required to be reclaimed under this subtitle
10 shall be, as nearly as practicable, a condition capable
11 of supporting the uses which the lands were capable
12 of supporting prior to any exploration, development,
13 or production activities, or upon application by the
14 lessee, to a higher or better use as approved by the
15 Secretary;
16 (5) include requirements and restrictions to
17 provide for reasonable protection of fish and wildlife,
18 their habitat, subsistence resources, and the environ-
19 ment as determined by the Secretary;
20 (6) prohibit the export of oil produced under
21 the lease; and
22 (7) contain such other provisions as the Sec-
23 retary determines necessary to ensure compliance
24 with the provisions of this subtitle and the regula-
25 tions issued under this subtitle.

1 **SEC. 527. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

2 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD
3 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—
4 The Secretary shall, consistent with the requirements of
5 section 523, administer the provisions of this subtitle
6 through regulations, lease terms, conditions, restrictions,
7 prohibitions, stipulations, and other provisions that—

8 (1) ensure the oil and gas exploration, develop-
9 ment, and production activities on the Coastal Plain
10 will result in no significant adverse effect on fish
11 and wildlife, their habitat, and the environment;

12 (2) require the application of the best commer-
13 cially available technology for oil and gas explo-
14 ration, development, and production on all new ex-
15 ploration, development, and production operations;
16 and

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

22 (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—
23 The Secretary shall also require, with respect to any pro-
24 posed drilling and related activities, that—

25 (1) a site-specific analysis be made of the prob-
26 able effects, if any, that the drilling or related activi-

1 ties will have on fish and wildlife, their habitat, sub-
2 sistence resources, and the environment;
3 (2) a plan be implemented to avoid, minimize,
4 and mitigate (in that order and to the extent prac-
5 ticable) any significant adverse effect identified
6 under paragraph (1); and
7 (3) the development of the plan shall occur
8 after consultation with the agency or agencies hav-
9 ing jurisdiction over matters mitigated by the plan.
10 (c) REGULATIONS TO PROTECT COASTAL PLAIN
11 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
12 AND THE ENVIRONMENT.—Before implementing the leas-
13 ing program authorized by this subtitle, the Secretary
14 shall prepare and promulgate regulations, lease terms,
15 conditions, restrictions, prohibitions, stipulations, and
16 other measures designed to ensure that the activities un-
17 dertaken on the Coastal Plain under this subtitle are con-
18 ducted in a manner consistent with the purposes and envi-
19 ronmental requirements of this subtitle.
20 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
21 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
22 proposed regulations, lease terms, conditions, restrictions,
23 prohibitions, and stipulations for the leasing program
24 under this subtitle shall require compliance with all appli-

1 cable provisions of Federal and State environmental law,
2 and shall also require the following:
3 (1) Standards at least as effective as the safety
4 and environmental mitigation measures set forth in
5 items 1 through 29 at pages 167 through 169 of the
6 "Final Legislative Environmental Impact State-
7 ment" (April 1987) on the Coastal Plain.
8 (2) Seasonal limitations on exploration, develop-
9 ment, and related activities, where necessary, to
10 avoid significant adverse effects during periods of
11 concentrated fish and wildlife breeding, denning,
12 nesting, spawning, and migration.
13 (3) Design safety and construction standards
14 for all pipelines and any access and service roads,
15 that—
16 (A) minimize, to the maximum extent pos-
17 sible, adverse effects upon the passage of mi-
18 gratory species such as caribou; and
19 (B) minimize adverse effects upon the flow
20 of surface water by requiring the use of cul-
21 verts, bridges, and other structural devices.
22 (4) Prohibitions on general public access and
23 use on all pipeline access and service roads.
24 (5) Stringent reclamation and rehabilitation re-
25 quirements, consistent with the standards set forth

1 in this subtitle, requiring the removal from the
2 Coastal Plain of all oil and gas development and
3 production facilities, structures, and equipment upon
4 completion of oil and gas production operations, ex-
5 cept that the Secretary may exempt from the re-
6 quirements of this paragraph those facilities, struc-
7 tures, or equipment that the Secretary determines
8 would assist in the management of the Arctic Na-
9 tional Wildlife Refuge and that are donated to the
10 United States for that purpose.
11 (6) Appropriate prohibitions or restrictions on
12 access by all modes of transportation.
13 (7) Appropriate prohibitions or restrictions on
14 sand and gravel extraction.
15 (8) Consolidation of facility siting.
16 (9) Appropriate prohibitions or restrictions on
17 use of explosives.
18 (10) Avoidance, to the extent practicable, of
19 springs, streams, and river system; the protection of
20 natural surface drainage patterns, wetlands, and ri-
21 parian habitats; and the regulation of methods or
22 techniques for developing or transporting adequate
23 supplies of water for exploratory drilling.
24 (11) Avoidance or minimization of air traffic-re-
25 lated disturbance to fish and wildlife.

1 (12) Treatment and disposal of hazardous and
2 toxic wastes, solid wastes, reserve pit fluids, drilling
3 muds and cuttings, and domestic wastewater, includ-
4 ing an annual waste management report, a haz-
5 ardous materials tracking system, and a prohibition
6 on chlorinated solvents, in accordance with applica-
7 ble Federal and State environmental law.
8 (13) Fuel storage and oil spill contingency plan-
9 ning.
10 (14) Research, monitoring, and reporting re-
11 quirements.
12 (15) Field crew environmental briefings.
13 (16) Avoidance of significant adverse effects
14 upon subsistence hunting, fishing, and trapping by
15 subsistence users.
16 (17) Compliance with applicable air and water
17 quality standards.
18 (18) Appropriate seasonal and safety zone des-
19 ignations around well sites, within which subsistence
20 hunting and trapping shall be limited.
21 (19) Reasonable stipulations for protection of
22 cultural and archeological resources.
23 (20) All other protective environmental stipula-
24 tions, restrictions, terms, and conditions deemed
25 necessary by the Secretary.

1 (e) CONSIDERATIONS.—In preparing and promul-
2 gating regulations, lease terms, conditions, restrictions,
3 prohibitions, and stipulations under this section, the Sec-
4 retary shall consider the following:
5 (1) The stipulations and conditions that govern
6 the National Petroleum Reserve-Alaska leasing pro-
7 gram, as set forth in the 1999 Northeast National
8 Petroleum Reserve-Alaska Final Integrated Activity
9 Plan/Environmental Impact Statement.
10 (2) The environmental protection standards
11 that governed the initial Coastal Plain seismic explo-
12 ration program under parts 37.31 to 37.33 of title
13 50, Code of Federal Regulations.
14 (3) The land use stipulations for exploratory
15 drilling on the KIC–ASRC private lands that are set
16 forth in Appendix 2 of the August 9, 1983, agree-
17 ment between Arctic Slope Regional Corporation and
18 the United States.
19 (f) FACILITY CONSOLIDATION PLANNING.—
20 (1) IN GENERAL.—The Secretary shall, after
21 providing for public notice and comment, prepare
22 and update periodically a plan to govern, guide, and
23 direct the siting and construction of facilities for the
24 exploration, development, production, and transpor-
25 tation of Coastal Plain oil and gas resources.

1 (2) OBJECTIVES.—The plan shall have the fol-
2 lowing objectives:
3 (A) Avoiding unnecessary duplication of fa-
4 cilities and activities.
5 (B) Encouraging consolidation of common
6 facilities and activities.
7 (C) Locating or confining facilities and ac-
8 tivities to areas that will minimize impact on
9 fish and wildlife, their habitat, and the environ-
10 ment.
11 (D) Utilizing existing facilities wherever
12 practicable.
13 (E) Enhancing compatibility between wild-
14 life values and development activities.
15 (g) ACCESS TO PUBLIC LANDS.—The Secretary
16 shall—
17 (1) manage public lands in the Coastal Plain
18 subject to subsections (a) and (b) of section 811 of
19 the Alaska National Interest Lands Conservation
20 Act (16 U.S.C. 3121); and
21 (2) ensure that local residents shall have rea-
22 sonable access to public lands in the Coastal Plain
23 for traditional uses.
24 **SEC. 528. EXPEDITED JUDICIAL REVIEW.**
25 (a) FILING OF COMPLAINT.—

1 (1) DEADLINE.—Subject to paragraph (2), any
2 complaint seeking judicial review of any provision of
3 this Act or any action of the Secretary under this
4 subtitle shall be filed—
5 (A) except as provided in subparagraph
6 (B), within the 90-day period beginning on the
7 date of the action being challenged; or
8 (B) in the case of a complaint based solely
9 on grounds arising after such period, within 90
10 days after the complainant knew or reasonably
11 should have known of the grounds for the com-
12 plaint.
13 (2) VENUE.—Any complaint seeking judicial re-
14 view of any provision of this subtitle or any action
15 of the Secretary under this subtitle may be filed only
16 in the United States Court of Appeals for the Dis-
17 trict of Columbia.
18 (3) LIMITATION ON SCOPE OF CERTAIN RE-
19 VIEW.—Judicial review of a Secretarial decision to
20 conduct a lease sale under this subtitle, including
21 the environmental analysis thereof, shall be limited
22 to whether the Secretary has complied with the
23 terms of this subtitle and shall be based upon the
24 administrative record of that decision. The Sec-
25 retary's identification of a preferred course of action

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

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

10 **SEC. 529. FEDERAL AND STATE DISTRIBUTION OF REVE-**
11 **NUES.**

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

16 (1) 25 percent shall be paid to the State of
17 Alaska; and

18 (2) except as provided in section 532(d), the
19 balance shall be deposited into the Treasury as mis-
20 cellaneous receipts.

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

1 **SEC. 530. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

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

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

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

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

23 (c) REGULATIONS.—The Secretary shall include in
24 regulations under section 423(g) provisions granting
25 rights-of-way and easements described in subsection (a)
26 of this section.

1 **SEC. 531. CONVEYANCE.**

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

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

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

24 **SEC. 532. LOCAL GOVERNMENT IMPACT AID AND COMMU-**
25 **NITY SERVICE ASSISTANCE.**

26 (a) FINANCIAL ASSISTANCE AUTHORIZED.—

1 (1) IN GENERAL.—The Secretary may use
2 amounts available from the Coastal Plain Local Gov-
3 ernment Impact Aid Assistance Fund established by
4 subsection (d) to provide timely financial assistance
5 to entities that are eligible under paragraph (2) and
6 that are directly impacted by the exploration for or
7 production of oil and gas on the Coastal Plain under
8 this subtitle.
9 (2) ELIGIBLE ENTITIES.—The North Slope
10 Borough, the City of Kaktovik, and any other bor-
11 ough, municipal subdivision, village, or other com-
12 munity in the State of Alaska that is directly im-
13 pacted by exploration for, or the production of, oil
14 or gas on the Coastal Plain under this Act, as deter-
15 mined by the Secretary, shall be eligible for financial
16 assistance under this section.
17 (b) USE OF ASSISTANCE.—Financial assistance
18 under this section may be used only for—
19 (1) planning for mitigation of the potential ef-
20 fects of oil and gas exploration and development on
21 environmental, social, cultural, recreational, and sub-
22 sistence values;
23 (2) implementing mitigation plans and main-
24 taining mitigation projects;

1 (3) developing, carrying out, and maintaining
2 projects and programs that provide new or expanded
3 public facilities and services to address needs and
4 problems associated with such effects, including fire-
5 fighting, police, water, waste treatment, medivac,
6 and medical services; and
7 (4) establishment of a coordination office, by
8 the north slope borough, in the City of Kaktovik,
9 which shall—
10 (A) coordinate with and advise developers
11 on local conditions, impact, and history of the
12 areas utilized for development; and
13 (B) provide to the Committee on Resources
14 of the House of Representatives and the Com-
15 mittee on Energy and Natural Resources of the
16 Senate an annual report on the status of co-
17 ordination between developers and the commu-
18 nities affected by development.
19 (c) APPLICATION.—
20 (1) IN GENERAL.—Any community that is eligi-
21 ble for assistance under this section may submit an
22 application for such assistance to the Secretary, in
23 such form and under such procedures as the Sec-
24 retary may prescribe by regulation.

1 (2) NORTH SLOPE BOROUGH COMMUNITIES.—A
2 community located in the North Slope Borough may
3 apply for assistance under this section either directly
4 to the Secretary or through the North Slope Bor-
5 ough
6 (3) APPLICATION ASSISTANCE.—The Secretary
7 shall work closely with and assist the North Slope
8 Borough and other communities eligible for assist-
9 ance under this section in developing and submitting
10 applications for assistance under this section.
11 (d) ESTABLISHMENT OF FUND.—
12 (1) IN GENERAL.—There is established in the
13 Treasury the Coastal Plain Local Government Im-
14 pact Aid Assistance Fund.
15 (2) USE.—Amounts in the fund may be used
16 only for providing financial assistance under this
17 section.
18 (3) DEPOSITS.—Subject to paragraph (4), there
19 shall be deposited into the fund amounts received by
20 the United States as revenues derived from rents,
21 bonuses, and royalties from Federal leases and lease
22 sales authorized under this subtitle.
23 (4) LIMITATION ON DEPOSITS.—The total
24 amount in the fund may not exceed $11,000,000.

1 (5) INVESTMENT OF BALANCES.—The Sec-
2 retary of the Treasury shall invest amounts in the
3 fund in interest bearing government securities.
4 (e) AUTHORIZATION OF APPROPRIATIONS.—To pro-
5 vide financial assistance under this section there is author-
6 ized to be appropriated to the Secretary from the Coastal
7 Plain Local Government Impact Aid Assistance Fund
8 $5,000,000 for each fiscal year.