

RESTARTING AMERICAN OFFSHORE LEASING NOW ACT

MAY 2, 2011.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HASTINGS of Washington, from the Committee on Natural Resources, submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 1230]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1230) to require the Secretary of the Interior to conduct certain offshore oil and gas lease sales, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 1230 is to require the Secretary of the Interior to conduct certain offshore oil and gas lease sales.

BACKGROUND AND NEED FOR LEGISLATION

The Outer Continental Shelf Lands Act (OCSLA) provides a system for offshore oil and natural gas exploration, leasing, and development in federal waters. The federal government develops five-year plans to determine where and when offshore leasing and energy production will occur.

The current five-year plan (2007–2012) included a lease sale off the Virginia coast in 2011 (#220), two Gulf of Mexico lease sales (#216 and #218) in 2011, and another Gulf of Mexico lease sale (#222) to have taken place in 2012. All of these sales have been either canceled or delayed by the Obama Administration, threatening to make 2011 the first year since 1958 that there will have been

no lease sales in the OCS. As a result, the President's budget predicts that OCS revenues from bonus bids and rents will be only \$150 million, approximately 1.5% of the 2008 revenue generated by OCS sales, which was \$9.85 billion in FY2008. This loss of billions in revenue will have a real impact on the federal budget and, in future years, delay new American energy production. These are the direct results of conscious decisions by the Obama Administration that have real impacts on our economic and energy security.

In 2008, both Congress and the President lifted the decades-long ban on offshore drilling. This opened 500 million additional acres to offshore drilling—including off the Atlantic coast. The lifting of this ban allowed the scheduled Virginia lease sale in 2011 to proceed. However, in 2010 the Secretary of the Interior delayed the Virginia lease sale until 2012 and then later announced that no areas off the Atlantic Coast would be available for leasing and energy development in the next five-year plan (2012–2017). In 2010, the Secretary of the Interior also canceled or delayed two scheduled Gulf of Mexico lease sales from 2011 until 2012. H.R. 1230 will reverse the Administration's delays by validating the existing completed Environmental Impact Statements (EIS), prepared for these lease sales under the National Environmental Policy Act, and ensuring these lease sales move forward in a prompt, timely and safe manner. H.R. 1230 expands American energy production, creates jobs and generates revenue for taxpayers.

It is important to note that the EIS work for the Gulf lease sales is complete, thorough, and sufficient to safely and responsibly conduct lease sales. The EIS for the Virginia lease sale is to be completed within one year. Furthermore, this is not the final analysis these leases will undergo. Each lease will undergo a lease sale Environmental Assessment along with additional environmental review of the submitted Exploration Plan. In totality, before an oil and natural gas project on a lease in federal waters takes place, there will be at least four separate environmental reviews that look at the overall environmental effects of development down to the site-specific review of impacts.

COMMITTEE ACTION

H.R. 1230, the Restarting American Offshore Leasing Now Act, was introduced on March 29, 2011, by Natural Resources Committee Chairman Doc Hastings (R-WA). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On April 6, 2011, the Subcommittee on Energy and Mineral Resources held a hearing on the bill. On April 13, 2011, the Full Natural Resources Committee met to consider the bill. The Subcommittee on Energy and Mineral Resources was discharged by unanimous consent. Congressman Rush Holt (D-NJ) offered amendment designated 001 to the bill; the amendment was ruled out of order. Congressman Rush Holt (D-NJ) offered amendment designated #A; the amendment was not adopted by a roll call vote of 12–28, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 1

Meeting on / Amendment: **HR 1230** – Amendment offered by **Mr. Holt #A** was **NOT AGREED TO** by a roll call vote of 12 yeas and 28 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX				<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>			
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>				Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	12	28	

Congressman Rush Holt (D-NJ) offered amendment designated #B; the amendment was not adopted by a roll call vote of 14–28, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 2

Meeting on / Amendment: **HR 1230** – Amendment offered by **Mr. Holt #B** was **NOT AGREED TO** by a roll call vote of 14 yeas and 28 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX				<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	14	28	

Congressman John Sarbanes (D-MD) offered amendment designated 008; the amendment was not adopted by a roll call vote of 14–28, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 3

Meeting on / Amendment: **HR 1230** – Amendment offered by **Mr. Sarbanes.008** was NOT AGREED TO by a roll call vote of 14 yeas and 28 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>		X	
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX				<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX	X		
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	14	28	

Congressman Ben Lujan (D–NM) offered amendment designated 009; the amendment was not adopted by a roll call vote of 14–28, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 4

Meeting on / Amendment: **HR 1230** – Amendment offered by **Mr. Lujan.009** was NOT AGREED TO by a roll call vote of 14 yeas and 28 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX				<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	14	28	

Congressman Rush Holt (D-NJ) offered amendment designated 007. Congressman Holt offered an amendment to the amendment which was adopted by unanimous consent. The amendment, as amended, was not adopted by voice vote. Congressman Ben Lujan (D-NM) offered amendment designated 005. Congressman Lujan offered an amendment to the amendment which was adopted by unanimous consent. The amendment, as amended, was not adopted by a roll call vote of 16–26, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 5

Meeting on / Amendment: **HR 1230** – Amendment offered by **Mr. Lujan.005** was NOT AGREED TO by a roll call vote of 16 yeas and 26 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX				<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>	X			Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>	X			Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	16	26	

Congressman Edward Markey (D-MA) offered amendment designated 002; the amendment was not adopted by a roll call vote of 15-27, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 6

Meeting on / Amendment: **HR 1230** – Amendment offered by **Mr. Markey.002** was NOT AGREED TO by a roll call vote of 15 yeas and 27 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX				<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>	X			Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	15	27	

Congressman Rush Holt (D-NJ) offered amendment designated #D; the amendment was not adopted by a roll call vote of 14–29, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 7

Meeting on / Amendment: **HR 1230** – Amendment offered by **Mr. Holt #D** was **NOT AGREED TO** by a roll call vote of 14 yeas and 29 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN		X		<i>Mr. Sarbanes, MD</i>	X		
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ		X	
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>	X			Ms. Noem		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>				Mr. Southerland		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, TX		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>		X		Mr. Fleischmann, TX		X	
Mr. McClintock, CA		X		Mr. Runyan, NJ		X	
<i>Mr. Boren, OK</i>		X		Mr. Johnson, OH		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	14	29	

The bill was then favorably reported to the House of Representatives by a roll call vote of 29-14, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: April 13, 2011

Recorded Vote #: 8

Meeting on / Amendment: **HR 1230** – Ordered favorably reported to the House of Representatives by a roll call vote of 29 yeas and 14 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman	X			<i>Mr. Heinrich, NM</i>		X	
<i>Mr. Markey, MA Ranking</i>		X		Mr. Benishek, MI	X		
Mr. Young, AK	X			<i>Mr. Lujan, NM</i>		X	
<i>Mr. Kildee, MI</i>		X		Mr. Rivera, FL	X		
Mr. Duncan of TN	X			<i>Mr. Sarbanes, MD</i>		X	
<i>Mr. Defazio, OR</i>				Mr. Duncan of SD	X		
Mr. Gohmert, TX	X			<i>Ms. Sutton, OH</i>		X	
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO	X		
Mr. Bishop, UT	X			<i>Ms. Tsongas</i>		X	
<i>Mr. Pallone, NJ</i>		X		Mr. Gosar, AZ	X		
Mr. Lamborn, CO	X			<i>Mr. Pierluisi, PR</i>		X	
<i>Mrs. Napolitano, CA</i>		X		Mr. Labrador, ID	X		
Mr. Wittman, VA	X			<i>Mr. Garamendi, CA</i>			
<i>Mr. Holt, NJ</i>		X		Ms. Noem	X		
Mr. Broun, GA	X			<i>Ms. Hanabusa, HI</i>		X	
<i>Mr. Grijalva, AZ</i>				Mr. Southerland	X		
Mr. Fleming, LA	X			Mr. Flores, TX	X		
<i>Ms. Bordallo, GU</i>		X		Mr. Harris, TX	X		
Mr. Coffman, CO	X			Mr. Landry, LA	X		
<i>Mr. Costa, CA</i>	X			Mr. Fleischmann, TX	X		
Mr. McClintock, CA	X			Mr. Runyan, NJ	X		
<i>Mr. Boren, OK</i>	X			Mr. Johnson, OH	X		
Mr. Thompson, PA	X						
<i>Mr. Sablan, CNMI</i>		X					
Mr. Denham, CA	X						
				TOTALS	29	14	

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 28, 2011.

Hon. DOC HASTINGS,
Chairman, Committee on Natural Resources, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1230, the Restarting American Offshore Leasing Now Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Kathleen Gramp.

Sincerely,

PETER H. FONTAINE
(For Douglas W. Elmendorf).

Enclosure.

H.R. 1230—Restarting American Offshore Leasing Now Act

Summary: H.R. 1230 would establish statutory deadlines for sales of certain oil and gas leases in the Outer Continental Shelf (OCS). If the bill were enacted, the Department of the Interior (DOI) would be required to auction leases in the Central and Western Gulf of Mexico within four and eight months of enactment, respectively. The legislation also would direct DOI to auction leases for an area off the coast of Virginia within one year of enactment.

Enacting H.R. 1230 would affect direct spending; therefore, pay-as-you-go procedures apply. CBO estimates that enacting this legislation would reduce net direct spending by \$25 million over the 2011–2016 period and about \$40 million over the 2011–2021 period.

In addition, CBO estimates that DOI would spend about \$2 million to implement the legislation, assuming the availability of appropriated funds.

H.R. 1230 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1230 is shown in the following table. The costs of this legislation fall within budget function 950 (undistributed off-setting receipts).

	By fiscal year, in millions of dollars—											2012–2016	2012–2021
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021			
	CHANGES IN DIRECT SPENDING ^a												
Estimated Budget Authority ..	0	0	0	-10	-15	-20	-7	4	4	4	4	-25	-40
Estimated Outlays	0	0	0	-10	-15	-20	-7	4	4	4	4	-25	-40

^aIn addition to the estimated impact on direct spending, CBO estimates that implementing H.R. 1230 would cost about \$2 million over the 2012–2016 period, subject to the availability of appropriated funds.

Basis of estimate: For this estimate, CBO assumes that H.R. 1230 will be enacted by the end of fiscal year 2011 and that DOI will conduct the sales of federal leases in the Gulf of Mexico according to the schedule included in the President’s budget request for fiscal year 2012. Bonus bids, rental fees, and royalty payments for OCS leases are recorded in the budget as offsetting receipts, which are an offset to direct spending.

Direct spending

CBO estimates that implementing the bill would have no significant effect on proceeds from lease sales in the Gulf of Mexico because the proposed schedule is similar to the plan included in DOI’s budget for 2011. CBO expects, however, that directing DOI to hold a lease sale off the Virginia coast soon after enactment would increase the number of lease sales in that area relative to current policies.

Under existing law, DOI can auction acreage if it is included in an approved five-year plan. The Administration’s plan for the 2007–2012 period included a proposed sale in 2011 of about 4 million acres off the coast of Virginia. That lease sale was canceled in 2010, however, to allow for further review of the impact of oil and gas development on military operations and the environment. A final leasing plan for the 2012–2017 period has not yet been adopted. Recent guidelines for that plan recommended preparing the environmental studies needed for seismic assessments of the Mid-Atlantic region (including the coast of Virginia), but did not include any lease sales in that area over the 2012–2017 period. As a result, CBO’s baseline projections assume that the Virginia OCS would not be opened for leasing until after June 30, 2017, under current law.

Based on information from DOI on the oil and gas resources in the Mid-Atlantic region, CBO estimates that enacting the bill would increase net offsetting receipts (and thus decrease direct spending) by about \$40 million over the 10-year period. That estimate reflects CBO’s expectation that holding a Virginia lease sale soon after enactment would increase proceeds in the next five years but also would reduce the amount collected in auctions held after 2017. For this estimate, CBO assumes that DOI would incorporate the Virginia lease sale into the five-year plan for 2012–2017 after

completing the assessments and consultations required by the bill and existing law. Given the time needed to complete those assessments, conduct sales, and issue leases, CBO anticipates that proceeds from leasing in those areas would be collected after fiscal year 2014.

Spending subject to appropriation

Based on spending patterns for similar activities, CBO estimates that DOI would spend about \$2 million over the 2012–2016 period to complete the necessary environmental and other assessments necessary to conduct the Virginia lease sale, assuming the availability of appropriated funds.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 1230, THE RESTARTING AMERICAN OFFSHORE LEASING NOW ACT, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON NATURAL RESOURCES ON APRIL 13, 2011

	By fiscal year, in millions of dollars—												2011–2016	2011–2021
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021			
	NET INCREASE OR DECREASE (–) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	0	0	–10	–15	–20	–7	0	4	4	–25	–40	

Intergovernmental and private-sector impact: H.R. 1230 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Costs: Kathleen Gramp; Impact on State, Local, and Tribal Governments: Melissa Merrell; Impact on the Private Sector: Amy Petz.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

2. Section 308(a) of Congressional Budget Act. As required by clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, credit authority, or an increase or decrease in revenues or tax expenditures. According to the Congressional Budget Office, enactment of this bill would reduce net direct spending by \$25 million over the 2011–2016 period and about \$40 million over the 2011–2021 period.

3. General Performance Goals and Objectives. This bill does not authorize funding and therefore, clause 3(c)(4) of Rule XIII of the Rules of the House of Representatives does not apply.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e),

9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.

DISSENTING VIEWS

We oppose H.R. 1230 because it is a blatant political attempt to use rising gasoline prices as an excuse to grant enormous, multinational energy companies more access to the Gulf with less oversight. Enacting this legislation would have no impact on the price of gasoline but would make another catastrophic oil spill more likely.

The short title of H.R. 1230 asserts that the purpose of the legislation is to “restart” offshore leasing. Of course, the legislation is belated given that the Obama Administration restarted offshore drilling in February and has already announced plans to offer all three Gulf of Mexico lease sales mandated in the bill later this year or early next year. As a result, H.R. 1230 “restarts” nothing, but would mandate that the lease sales go forward within unreasonable time limits and without proper environmental review.

In addition to destroying beaches, livelihoods and lives, the BP Deepwater Horizon disaster destroyed any notion that pre-spill environmental reviews were adequate. As is too often the case, these environmental review documents turned out to be amalgamations of wildly speculative industry claims, outdated or inaccurate information and cookie-cutter, boilerplate verbiage. Virtually every assumption these reviews were based upon washed away in the BP spill.

The existing environmental impact statements for the Gulf lease sales were completed in 2007, long before the BP spill. Amongst other deficiencies, these reviews assume “the most likely size of an offshore spill greater than or equal to 1,000 barrels that is predicted to occur is 4,600 barrels” of oil. The 2007 analysis concluded that the total volume of oil that would be spilled from all spills in the central and western Gulf over the next 40 years would be roughly 47,000 barrels. That is less than what was spilled during the Deepwater Horizon disaster in one day. Finally, these reviews concluded that in a worst case scenario, only 19 to 31 miles of Gulf coastline would be impacted by a spill. In reality, the Deepwater Horizon disaster resulted in oil reaching over 950 miles of the Gulf coastline, according to NOAA. Nevertheless, H.R. 1230 would “deem” these outdated and demonstrably inadequate reviews as satisfying the requirements of the National Environmental Policy Act for these new lease sales.

Rigorous engagement in the review process required under NEPA would provide the ideal forum to review these assumptions in light of the BP spill, gather expert as well as public input, and formulate policy to allow drilling to proceed without repeating the mistakes which led to the BP calamity. H.R. 1230 prohibits that process.

H.R. 1230 would also force the Interior Department to conduct a lease sale off the coast of Virginia within one year. Opening up

the coastline of the East Coast to drilling within one year, before any new safety standards for offshore drilling have been enacted by the Congress, is reckless and would endanger the economies and the environment of the Mid-Atlantic coastal states.

Energy and Mineral Subcommittee Ranking Member Holt offered amendments to cure the NEPA deficiencies in the bill, which were rejected in lock-step by the Majority. Further, Ranking Member Markey offered an amendment to insure that, if these lease sales are to go forward, they must provide a fair return to the American taxpayers; that too was rejected. Representative Sarbanes offered an amendment to remove the ill-considered lease sale off Virginia, which was also defeated. Finally, Representative Lujan offered an amendment seeking to guarantee that the energy resources produced pursuant to these leases would at least remain in the United States. That basic assurance was also rejected by the Majority.

Witness after witness before the Natural Resources Committee has made clear that the price of oil is determined on an international market, largely controlled by OPEC. Increases in U.S. domestic production can easily be offset by reductions in OPEC production in order to maintain high prices.

H.R. 1230 will not change this reality. All it would do is insist on denying the reality of the BP spill and put the Gulf and the Nation back on the dangerous path that led to that tragic event.

EDWARD J. MARKEY.
 PETER A. DEFazio.
 JOHN P. SARBANES.
 RAÚL M. GRIJALVA.
 GREGORIO KILILI CAMACHO
 SABLAN.
 DALE E. KILDEE.
 NIKI TSONGAS.
 BETTY SUTTON.
 BEN RAY LUJÁN.
 FRANK PALLONE, Jr.
 COLLEEN HANABUSA.
 GRACE F. NAPOLITANO.
 ENI F.H. FALEOMAVAEGA.
 JOHN GARAMENDI.
 RUSH HOLT.

