



HOUSE COMMITTEE ON NATURAL RESOURCES

SCALISE-CUELLAR-BISHOP-GONZALEZ SECURE AMERICAN ENERGY ACT

On November 3, 2017, House Majority Whip Steve Scalise (R-LA), Chairman Rob Bishop (R-UT), Reps. Henry Cuellar (D-TX) and Vicente González (D-TX) introduced bipartisan legislation to overhaul federal lands energy policy. H.R. 4239, the “Strengthening the Economy with Critical Untapped Resources to Expand American Energy Act” or the “SECURE American Energy Act,” reforms existing regulatory frameworks for energy development on America’s Outer Continental Shelf (OCS) and the vast onshore acreage under federal ownership.

Offshore Title

As global demand for oil and gas continues to increase, the United States is uniquely positioned to safely meet this demand while satisfying our domestic energy needs. Standing in the way of such progress is a politicized system of regulations. The Bureau of Ocean Energy Management (BOEM) estimates that 89.9 billion barrels of oil and 327.5 trillion cubic feet of gas are contained, but undiscovered, on the OCS. However, 94% of the OCS is excluded from development.

The offshore title of H.R. 4239 provides regulatory certainty and reliability to expand access to oil, gas and wind development in America’s OCS. The provisions are designed to spur economic investment in federal lands, expand domestic energy production, create jobs and increase revenues to federal and state governments.

HIGHLIGHTS

- **Expands Access to Federal Energy Resources:** Increases access to oil, natural gas and offshore wind resources across the OCS.
- **Investigates New Areas for Offshore Wind Lease Sales:** Requires BOEM to conduct feasibility and compatibility studies for potential lease sales off the coasts of California, Hawaii, Puerto Rico and the U.S. Virgin Islands.
- **Drives Economic Growth:** Opening all areas of the OCS is estimated to create 840,000 new jobs and generate over \$200 billion in revenues.
- **Increases Funding for Conservation and Infrastructure:** Directs 6.25% of qualifying OCS revenue to both the Department of the Interior (DOI) and the Department of Transportation for projects within the National Park System and energy infrastructure projects in coastal ports.
- **Establishes State Revenue Sharing Framework:** Fairly compensates oil and natural gas producing states in the Atlantic and Alaskan planning areas and ensures disbursement certainty into the future for Gulf producing states.
- **Offshore Energy Development Opportunities to the U.S. Territories:** Applies the Outer Continental Shelf Lands Act to U.S. Territories.
- **Ensures Certainty of Five Year Plans:** Requires the execution of all approved, scheduled offshore oil and gas lease sales, should the Interior Secretary call for a revised Five Year Plan.
- **Streamlines Burdensome Obstacles to Economic Development:** Amends the Marine Mammals Protection Act to make the environmental approval process more efficient.
- **Prevents Implementation of Excessive Federal Regulations:** Prohibits DOI from enforcing the Obama administration’s Arctic Rule.

Onshore Title

Unnecessary permitting delays, costly regulatory requirements and uncertainty in the leasing process have discouraged oil and gas development on federal lands. For example, the Bureau of Land Management (BLM) issued Applications for Permits to Drill in an average of 257 days in 2016. By contrast, State agencies issued permits in just 30 days on average. Despite lower royalty rates on federal lands, producers often opt to develop on state and private lands.

The onshore title of H.R. 4239 provides regulatory certainty and streamlines the permitting process to make federal lands a competitive and attractive place to develop energy resources. The title enables states with established regulatory programs to manage certain federal permitting and regulatory responsibilities for oil and gas development on federal lands within their borders.

HIGHLIGHTS

- **Delegates Regulatory Authorities to Well-Equipped States:** States with established regulatory programs can seek approval from the Interior Secretary to manage specific oil and gas development responsibilities for federal lands within their borders.
- **Eliminates One-Size-Fits-All Federal Regulatory Scheme:** Delegating regulatory responsibilities recognizes the unique challenges in each state and eliminates the uncertainty and significant costs associated with overly burdensome federal regulatory processes.
- **Increases Revenues to States:** States with approved regulatory programs receive the full 50 percent of mineral revenues eliminating the 2 percent administrative fee charged by DOI.
- **Strengthens Funding for Public Services:** Increased revenues and eliminated administrative fees allows states to better support infrastructure projects and fund public services including community colleges and healthcare.
- **Reins in Bureaucratic Overreach on State and Private Lands:** Blocks the BLM from intruding on energy development on state and private lands via unnecessary permits and additional federal environmental reviews.
- **Prevents Implementation of Excessive Federal Regulations:** Prohibits DOI from enforcing federal regulations regarding hydraulic fracturing on federal lands in states with corresponding rules in place.