



**Legislative Bulletin.....May 25, 2006**

**Contents:**

**H.R. 5429** — The American-Made Energy and Good Jobs Act

**Summary of the Bills Under Consideration Today:**

**Total Number of New Government Programs:** 0

**Total Cost of Discretionary Authorizations:** \$0

**Effect on Revenue:** increased net revenue by \$2.5 billion over 8 years

**Total Change in Mandatory Spending:** \$0

**Total New State & Local Government Mandates:** 0

**Total New Private Sector Mandates:** 0

**Number of Bills Without Committee Reports:** 1

**Number of Reported Bills that Don't Cite Specific Clauses of Constitutional Authority:** 1

**H.R. 5429 — The American-Made Energy and Good Jobs Act — *as introduced* (Pombo, R-CA)**

**Order of Business:** The bill is scheduled for consideration on Thursday, May 25, 2006, under a closed rule (and therefore, no amendments).

**Legislative History:** Congress has considered legislation allowing oil and gas drilling in Alaska's Arctic National Wildlife Refuge (ANWR) numerous times in the past 11 years. In 1995, former President Bill Clinton vetoed legislation (H.R. 2491, the Balanced Budget Act) that would have opened ANWR to oil development. Since 2001, the House of Representatives passed energy legislation that allowed drilling in ANWR five separate times. In the 109<sup>th</sup> Congress, either the House or Senate passed the following bills including ANWR provisions, but each bill either failed to pass both chambers or the ANWR provisions were stripped before final passage: S. 1932 and H.R. 4241 (reconciliation), H.R. 2863 (DoD Appropriations), S. Con. Res. 83 (FY07 Budget Resolution), and H.R. 6 (Energy Policy Act).

**Summary:** H.R. 5429 would allow for oil and gas leasing in Alaska’s Arctic National Wildlife Refuge (ANWR) that would result in an “environmentally sound program for the exploration, development, and production” of the oil and gas in ANWR. The bill specifies terms on grants of leases, lease terms, and sales conditions, environmental requirements, among other things.

The federal government would receive proceeds first from auctioning leases for oil and gas development rights, then from annual rental payments, and—once production began—from royalties. Under the legislation, half of the proceeds from the lease program would be paid to the state of Alaska. The specific provisions of the bill are listed below:

- **Environmentally Sound Leasing Program:** Directs the Secretary of the Interior (charged with overseeing the leasing) to coordinate with the Bureau of Land Management Director and the U.S. Fish and Wildlife Service Director to establish and implement a competitive oil and gas leasing program that will be “environmentally sound” for the exploration, development, and production of oil and gas in ANWR.
- **Environmental Impacts and Scope of Leasing:** The Secretary of the Interior would have to ensure that the oil and gas activities (including transportation) would result in “no significant adverse effect on fish and wildlife, their habitat, subsistence resources, and the environment.” The Secretary would have to prepare an environmental impact statement for the leasing proposal under this bill (plus one leasing-plan alternative) before proceeding with any lease contract. **The first lease sale must be conducted within 22 months of enactment.** Additionally, the Secretary would have to ensure that the leasing yields fair market receipts for the resources. Requires that the maximum amount of surface coverage covered by production and support of lessee facilities could not exceed 2,000 acres (or 1% of the total refuge area). Leases authorized by this legislation would have to comply with all applicable provisions of federal and state environmental law and with other requirements outlined in the bill, such as:
  - limiting exploration to November 1 through May 1;
  - designing safety and construction standards for pipelines and access roads that minimize the adverse effects on migratory species (such as caribou) and on the flow of surface water;
  - requiring the removal of all equipment once exploration is completed;
  - protecting wetlands “to the extent practicable;”
  - avoiding or reducing air traffic-related disturbance to fish and wildlife;
  - planning for oil-spill contingencies;
  - avoiding significant adverse effects on subsistence hunting, fishing, and trapping; and
  - protecting cultural and archaeological resources.
- **Special Areas:** Allows the Secretary of the Interior to designate up to 45,000 acres of “Special Areas” for oil and gas leasing, requiring unique management and regulatory protection, pending consultation with state and local authorities. One of the Special Areas must be the 4,000-acre Sadlerochit Spring, and no Special Area could encompass lands with “surface occupancy.”

- **Public Access:** Allows for public input into siting plans and ensures reasonable access to public lands in ANWR for traditional uses.
- **Judicial Review:** Establishes expedited judicial review processes for complaints against the federal government regarding leases and lease applications in ANWR and limits the venue to the U.S. District Court of Appeals for the District of Columbia.
- **Revenue Sharing:** Provides that 50 percent of the leasing revenues collected by the federal government (via the Secretary of the Interior) would go to Alaska (in semiannual payments), and the balance would go to the U.S. Treasury as miscellaneous receipts. Bonus payments received by the federal government under ANWR leases could be used for low-income home energy assistance.
- **Coastal Plain Local Government Impact Aid Assistance Fund:** Establishes the Coastal Plain Local Government Impact Aid Assistance Fund within the U.S. Treasury to help mitigate the potential effects of oil and gas exploration and development on local cultural values and municipal services. The Fund, which could never exceed \$11 million, would be funded with revenues from lease rents and royalties. Five million dollars per fiscal year is authorized to the Interior Secretary to deposit in the Fund.
- **State and Local Authority:** Specifies that nothing in this subtitle should be considered to expand or limit state or local regulatory authority.
- **Additional Background:** The Coastal Plain of the Arctic National Wildlife Refuge (the area addressed by this legislation) is comprised of about 1.55 million acres. ANWR, in total, comprises 19.6 million acres. For more background on ANWR, visit these webpages: <http://resourcescommittee.house.gov/issues/emr/report/history.htm>  
<http://resourcescommittee.house.gov/issues/emr/report/facts.htm>  
<http://resourcescommittee.house.gov/issues/emr/report/resources.htm>  
<http://resourcescommittee.house.gov/issues/emr/report/wildlife.htm>

**Administration Policy:** A Statement of Administration Policy is unavailable. However, the President released a statement regarding a Senate vote on ANWR on March 16, 2005:

I applaud today's vote in the Senate to allow for environmentally responsible energy exploration in a small part of the Arctic National Wildlife Refuge. A reliable domestic supply of energy is important to America's security and prosperity. This project will keep our economy growing by creating jobs and ensuring that businesses can expand. And it will make America less dependent on foreign sources of energy, eventually by up to a million barrels of oil a day.

**Amendments:** There is a closed rule for H.R. 5429, and therefore no amendments will be allowed.

**Committee Action:** H.R. 5429 was introduced on May 19, 2006, and referred to the Committee on Resources, which took no official action. See “Legislative History” above for prior action on ANWR related legislation.

**Cost to Taxpayers:** A CBO score of H.R. 5429 is unavailable. However, in a previous CBO cost estimate for H.R. 2863, CBO estimated that “gross receipts from the proposed leasing program would total about \$5.2 billion over the 2008-2015 period (\$5 billion from bonus bids, and less than \$200 million from rents and royalties over this period).” Under this legislation, half of those receipts would be paid to Alaska, resulting in net federal receipts of about \$2.5 billion over this period.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Constitutional Authority:** A committee report citing constitutional authority is unavailable. House Rule XIII, Section 3(d)(1), requires that all committee reports contain “a statement citing the *specific* powers granted to Congress in the Constitution to enact the law proposed by the bill or joint resolution.” *[emphasis added]*

**RSC Staff Contacts:**

Paul S. Teller; [paul.teller@mail.house.gov](mailto:paul.teller@mail.house.gov); 202-226-9718

Derek V. Baker; [derek.baker@mail.house.gov](mailto:derek.baker@mail.house.gov); 202-226-8585

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