

## Union Calendar No. 436

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3404

**[Report No. 112-601]**

To establish in the Department of the Interior an Under Secretary for Energy, Lands, and Minerals and a Bureau of Ocean Energy, an Ocean Energy Safety Service, and an Office of Natural Resources Revenue, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2011

Mr. HASTINGS of Washington introduced the following bill; which was referred to the Committee on Natural Resources

JULY 17, 2012

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on November 14, 2011]

# **A BILL**

To establish in the Department of the Interior an Under Secretary for Energy, Lands, and Minerals and a Bureau of Ocean Energy, an Ocean Energy Safety Service, and an Office of Natural Resources Revenue, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ESTABLISHMENT OF UNDER SECRETARY FOR**  
4 **ENERGY, LANDS, AND MINERALS AND ASSIST-**  
5 **ANT SECRETARY OF OCEAN ENERGY AND**  
6 **SAFETY.**

7        *There shall be in the Department of the Interior—*

8            *(1) an Under Secretary for Energy, Lands, and*  
9 *Minerals, who shall—*

10            *(A) be appointed by the President, by and*  
11 *with the advise and consent of the Senate;*

12            *(B) report to the Secretary of the Interior,*  
13 *or to the Deputy Secretary of the Interior if or-*  
14 *dered by the Secretary;*

15            *(C) be paid at the rate payable for level III*  
16 *of the Executive Schedule; and*

17            *(D) be responsible for—*

18            *(i) the safe and responsible develop-*  
19 *ment of our energy and mineral resources*  
20 *on Federal lands in appropriate accordance*  
21 *with United States energy demands, includ-*  
22 *ing administration of the Office of Surface*  
23 *Mining and the Bureau of Land Manage-*  
24 *ment as separate, independent agencies of*  
25 *the Department under the Assistant Sec-*

1                    *retary of Land and Minerals Management;*  
2                    *and*

3                    *(ii) ensuring multiple-use missions of*  
4                    *the Department of the Interior that promote*  
5                    *the safe and sustained development of en-*  
6                    *ergy and minerals resources on public lands*  
7                    *(as that term is defined in the Federal*  
8                    *Land Policy and Management Act of 1976*  
9                    *(43 U.S.C. 1701 et seq.));*

10                  *(2) an Assistant Secretary of Ocean Energy and*  
11                  *Safety, who shall—*

12                    *(A) be appointed by the President, by and*  
13                    *with the advise and consent of the Senate;*

14                    *(B) report to the Under Secretary for En-*  
15                    *ergy, Lands, and Minerals;*

16                    *(C) be paid at the rate payable for level IV*  
17                    *of the Executive Schedule; and*

18                    *(D) be responsible for ensuring safe and ef-*  
19                    *ficient development of energy and minerals on*  
20                    *the Outer Continental Shelf of the United States;*  
21                    *and*

22                  *(3) an Assistant Secretary of Land and Minerals*  
23                  *Management, who shall—*

24                    *(A) be appointed by the President, by and*  
25                    *with the advise and consent of the Senate;*

1           (B) report to the Under Secretary for En-  
2           ergy, Lands, and Minerals;

3           (C) be paid at the rate payable for level IV  
4           of the Executive Schedule; and

5           (D) be responsible for ensuring safe and ef-  
6           ficient development of energy and minerals on  
7           public lands and other Federal onshore lands  
8           under the jurisdiction of the Department of the  
9           Interior, including implementation of the Min-  
10          eral Leasing Act (30 U.S.C. 181 et seq.) and the  
11          Surface Mining Control and Reclamation Act  
12          (30 U.S.C. 1201 et seq.) and administration of  
13          the Office of Surface Mining.

14 **SEC. 2. BUREAU OF OCEAN ENERGY.**

15          (a) *ESTABLISHMENT.*—There is established in the De-  
16          partment of the Interior a Bureau of Ocean Energy (re-  
17          ferred to in this section as the “Bureau”), which shall—

18               (1) be headed by a Director of Ocean Energy (re-  
19               ferred to in this section as the “Director”); and

20               (2) be administered under the direction of the  
21               Assistant Secretary of Ocean Energy and Safety.

22          (b) *DIRECTOR.*—

23               (1) *APPOINTMENT.*—The Director shall be ap-  
24               pointed by the Secretary of the Interior.

1           (2) *COMPENSATION.*—*The Director shall be com-*  
2           *pensated at the rate provided for Level V of the Exec-*  
3           *utive Schedule under section 5316 of title 5, United*  
4           *States Code.*

5           *(c) DUTIES.*—

6           (1) *IN GENERAL.*—*The Secretary of the Interior*  
7           *shall carry out through the Bureau all functions,*  
8           *powers, and duties vested in the Secretary relating to*  
9           *the administration of a comprehensive program of off-*  
10           *shore mineral and renewable energy resources man-*  
11           *agement.*

12           (2) *SPECIFIC AUTHORITIES.*—*The Director shall*  
13           *promulgate and implement regulations—*

14                   (A) *for the proper issuance of leases for the*  
15                   *exploration, development, and production of non-*  
16                   *renewable and renewable energy and mineral re-*  
17                   *sources on the Outer Continental Shelf;*

18                   (B) *relating to resource identification, ac-*  
19                   *cess, evaluation, and utilization;*

20                   (C) *for development of leasing plans, lease*  
21                   *sales, and issuance of leases for such resources;*

22                   (D) *regarding issuance of environmental*  
23                   *impact statements related to leasing and post*  
24                   *leasing activities including exploration, develop-*  
25                   *ment, and production, and the use of third party*

1           *contracting for necessary environmental analysis*  
2           *for the development of such resources; and*

3                     *(E) for the processing of exploration plans*  
4                     *and development plans.*

5           *(3) LIMITATION.—The Secretary shall not carry*  
6           *out through the Bureau any function, power, or duty*  
7           *that is—*

8                     *(A) required by section 3 to be carried out*  
9                     *through the Ocean Energy Safety Service; or*

10                    *(B) required by section 4 to be carried out*  
11                    *through the Office of Natural Resources Revenue.*

12           *(d) RESPONSIBILITIES OF LAND MANAGEMENT AGEN-*  
13           *CIES.—Nothing in this section shall affect the authorities*  
14           *of the Bureau of Land Management under the Federal Land*  
15           *Policy and Management Act of 1976 (43 U.S.C. 1701 et*  
16           *seq.) or of the Forest Service under the National Forest*  
17           *Management Act of 1976 (Public Law 94–588).*

18   **SEC. 3. OCEAN ENERGY SAFETY SERVICE.**

19           *(a) ESTABLISHMENT.—There is established in the De-*  
20           *partment of the Interior an Ocean Energy Safety Service*  
21           *(referred to in this section as the “Service”), which shall—*

22                     *(1) be headed by a Director of Energy Safety (re-*  
23                     *ferred to in this section as the “Director”); and*

24                     *(2) be administered under the direction of the*  
25           *Assistant Secretary of Ocean Energy and Safety.*

1       **(b) DIRECTOR.**—

2               **(1) APPOINTMENT.**—*The Director shall be ap-*  
3       *pointed by the Secretary of the Interior.*

4               **(2) COMPENSATION.**—*The Director shall be com-*  
5       *pensated at the rate provided for Level V of the Exec-*  
6       *utive Schedule under section 5316 of title 5, United*  
7       *States Code.*

8       **(c) DUTIES.**—

9               **(1) IN GENERAL.**—*The Secretary of the Interior*  
10       *shall carry out through the Service all functions, pow-*  
11       *ers, and duties vested in the Secretary relating to the*  
12       *administration of safety and environmental enforce-*  
13       *ment activities related to offshore mineral and renew-*  
14       *able energy resources on the Outer Continental Shelf*  
15       *pursuant to the Outer Continental Shelf Lands Act*  
16       *(43 U.S.C. 1331 et seq.) including the authority to de-*  
17       *velop, promulgate, and enforce regulations to ensure*  
18       *the safe and sound exploration, development, and pro-*  
19       *duction of mineral and renewable energy resources on*  
20       *the Outer Continental Shelf in a timely fashion.*

21               **(2) SPECIFIC AUTHORITIES.**—*The Director shall*  
22       *be responsible for all safety activities related to explo-*  
23       *ration and development of renewable and mineral re-*  
24       *sources on the Outer Continental Shelf, including—*



1           (A) exploration, development, production,  
2           and ongoing inspections of infrastructure;

3           (B) the suspending or prohibiting, on a  
4           temporary basis, any operation or activity, in-  
5           cluding production under leases held on the  
6           Outer Continental Shelf, in accordance with sec-  
7           tion 5(a)(1) of the Outer Continental Shelf  
8           Lands Act (43 U.S.C. 1334(a)(1));

9           (C) cancelling any lease, permit, or right-of-  
10          way on the Outer Continental Shelf, in accord-  
11          ance with section 5(a)(2) of the Outer Conti-  
12          nental Shelf Lands Act (43 U.S.C. 1334(a)(2));

13          (D) compelling compliance with applicable  
14          Federal laws and regulations relating to worker  
15          safety and other matters;

16          (E) requiring comprehensive safety and en-  
17          vironmental management programs for persons  
18          engaged in activities connected with the explo-  
19          ration, development, and production of mineral  
20          or renewable energy resources;

21          (F) developing and implementing regula-  
22          tions for Federal employees to carry out any in-  
23          spection or investigation to ascertain compliance  
24          with applicable regulations, including health,  
25          safety, or environmental regulations;

1           (G) implementing the Offshore Technology  
2           Research and Risk Assessment Program under  
3           section 21 of the Outer Continental Shelf Lands  
4           Act (43 U.S.C. 1347);

5           (H) summoning witnesses and directing the  
6           production of evidence;

7           (I) levying fines and penalties and disquali-  
8           fying operators;

9           (J) carrying out any safety, response, and  
10          removal preparedness functions; and

11          (K) the processing of permits.

12          (d) EMPLOYEES.—

13           (1) IN GENERAL.—The Secretary shall ensure  
14           that the inspection force of the Bureau consists of  
15           qualified, trained employees who meet qualification  
16           requirements and adhere to the highest professional  
17           and ethical standards.

18           (2) QUALIFICATIONS.—The qualification require-  
19           ments referred to in paragraph (1)—

20           (A) shall be determined by the Secretary,  
21           subject to subparagraph (B); and

22           (B) shall include—

23           (i) three years of practical experience  
24           in oil and gas exploration, development, or  
25           production; or

1                   (ii) a degree in an appropriate field of  
2                   engineering from an accredited institution  
3                   of higher learning.

4                   (3) *ASSIGNMENT.*—*In assigning oil and gas in-*  
5                   *spectors to the inspection and investigation of indi-*  
6                   *vidual operations, the Secretary shall give due consid-*  
7                   *eration to the extent possible to their previous experi-*  
8                   *ence in the particular type of oil and gas operation*  
9                   *in which such inspections are to be made.*

10                  (4) *BACKGROUND CHECKS.*—*The Director shall*  
11                  *require that an individual to be hired as an inspec-*  
12                  *tion officer undergo an employment investigation (in-*  
13                  *cluding a criminal history record check).*

14                  (5) *LANGUAGE REQUIREMENTS.*—*Individuals*  
15                  *hired as inspectors must be able to read, speak, and*  
16                  *write English well enough to—*

17                         (A) *carry out written and oral instructions*  
18                         *regarding the proper performance of inspection*  
19                         *duties; and*

20                         (B) *write inspection reports and statements*  
21                         *and log entries in the English language.*

22                  (6) *ANNUAL PROFICIENCY REVIEW.*—

23                         (A) *ANNUAL PROFICIENCY REVIEW.*—*The*  
24                         *Director shall provide that an annual evaluation*

1           *of each individual assigned inspection duties is*  
2           *conducted and documented.*

3           *(B) CONTINUATION OF EMPLOYMENT.—An*  
4           *individual employed as an inspector may not*  
5           *continue to be employed in that capacity unless*  
6           *the evaluation demonstrates that the indi-*  
7           *vidual—*

8                     *(i) continues to meet all qualifications*  
9                     *and standards;*

10                    *(ii) has a satisfactory record of per-*  
11                    *formance and attention to duty based on the*  
12                    *standards and requirements in the inspec-*  
13                    *tion program; and*

14                    *(iii) demonstrates the current knowl-*  
15                    *edge and skills necessary to courteously,*  
16                    *vigilantly, and effectively perform Inspec-*  
17                    *tion functions.*

18           *(7) LIMITATION ON RIGHT TO STRIKE.—Any in-*  
19           *dividual that conducts permitting or inspections*  
20           *under this section may not participate in a strike, or*  
21           *assert the right to strike.*

22           *(8) PERSONNEL AUTHORITY.—Notwithstanding*  
23           *any other provision of law, the Director may employ,*  
24           *appoint, discipline and terminate for cause, and fix*  
25           *the compensation, terms, and conditions of employ-*

1 *ment of Federal service for individuals as the employ-*  
2 *ees of the Service in order to restore and maintain the*  
3 *trust of the people of the United States in the ac-*  
4 *countability of the management of our Nation's en-*  
5 *ergy safety program.*

6 *(9) TRAINING ACADEMY.—*

7 *(A) IN GENERAL.—The Secretary shall es-*  
8 *tablish and maintain a National Offshore En-*  
9 *ergy Health and Safety Academy (referred to in*  
10 *this paragraph as the “Academy”)* *as an agency*  
11 *of the Ocean Energy Safety Service.*

12 *(B) FUNCTIONS OF ACADEMY.—The Sec-*  
13 *retary, through the Academy, shall be responsible*  
14 *for—*

15 *(i) the initial and continued training*  
16 *of both newly hired and experienced offshore*  
17 *oil and gas inspectors in all aspects of*  
18 *health, safety, environmental, and oper-*  
19 *ational inspections;*

20 *(ii) the training of technical support*  
21 *personnel of the Bureau;*

22 *(iii) any other training programs for*  
23 *offshore oil and gas inspectors, Bureau per-*  
24 *sonnel, Department personnel, or other per-*  
25 *sons as the Secretary shall designate; and*

1           (iv) certification of the successful com-  
2           pletion of training programs for newly  
3           hired and experienced offshore oil and gas  
4           inspectors.

5           (C) COOPERATIVE AGREEMENTS.—

6           (i) IN GENERAL.—In performing func-  
7           tions under this paragraph, and subject to  
8           clause (ii), the Secretary may enter into co-  
9           operative educational and training agree-  
10          ments with educational institutions, related  
11          Federal academies, other Federal agencies,  
12          State governments, safety training firms,  
13          and oil and gas operators and related in-  
14          dustries.

15          (ii) TRAINING REQUIREMENT.—Such  
16          training shall be conducted by the Academy  
17          in accordance with curriculum needs and  
18          assignment of instructional personnel estab-  
19          lished by the Secretary.

20          (10) USE OF DEPARTMENT PERSONNEL.—In per-  
21          forming functions under this subsection, the Secretary  
22          shall use, to the extent practicable, the facilities and  
23          personnel of the Department of the Interior. The Sec-  
24          retary may appoint or assign to the Academy such of-  
25          ficers and employees as the Secretary considers nec-

1        *essary for the performance of the duties and functions*  
2        *of the Academy.*

3            (11) *ADDITIONAL TRAINING PROGRAMS.—*

4            (A) *IN GENERAL.—The Secretary shall work*  
5            *with appropriate educational institutions, opera-*  
6            *tors, and representatives of oil and gas workers*  
7            *to develop and maintain adequate programs*  
8            *with educational institutions and oil and gas op-*  
9            *erators that are designed—*

10            (i) *to enable persons to qualify for po-*  
11            *sitions in the administration of this Act;*  
12            *and*

13            (ii) *to provide for the continuing edu-*  
14            *cation of inspectors or other appropriate*  
15            *Department of the Interior personnel.*

16            (B) *FINANCIAL AND TECHNICAL ASSIST-*  
17            *ANCE.—The Secretary may provide financial*  
18            *and technical assistance to educational institu-*  
19            *tions in carrying out this paragraph.*

20            (e) *LIMITATION.—The Secretary shall not carry out*  
21            *through the Service any function, power, or duty that is—*

22            (1) *required by section 2 to be carried out*  
23            *through Bureau of Ocean Energy; or*

24            (2) *required by section 4 to be carried out*  
25            *through the Office of Natural Resources Revenue.*

1 **SEC. 4. OFFICE OF NATURAL RESOURCES REVENUE.**

2       (a) *ESTABLISHMENT.*—*There is established in the De-*  
3 *partment of the Interior an Office of Natural Resources*  
4 *Revenue (referred to in this section as the “Office”) to be*  
5 *headed by a Director of Natural Resources Revenue (re-*  
6 *ferred to in this section as the “Director”).*

7       (b) *APPOINTMENT AND COMPENSATION.*—

8           (1) *IN GENERAL.*—*The Director shall be ap-*  
9 *pointed by the Secretary of the Interior.*

10          (2) *COMPENSATION.*—*The Director shall be com-*  
11 *pensated at the rate provided for Level V of the Exec-*  
12 *utive Schedule under section 5316 of title 5, United*  
13 *States Code.*

14       (c) *DUTIES.*—

15           (1) *IN GENERAL.*—*The Secretary of the Interior*  
16 *shall carry out, through the Office, all functions, pow-*  
17 *ers, and duties vested in the Secretary and relating*  
18 *to the administration of offshore royalty and revenue*  
19 *management functions.*

20           (2) *SPECIFIC AUTHORITIES.*—*The Secretary*  
21 *shall carry out, through the Office, all functions, pow-*  
22 *ers, and duties previously assigned to the Minerals*  
23 *Management Service (including the authority to de-*  
24 *velop, promulgate, and enforce regulations) regarding*  
25 *offshore royalty and revenue collection; royalty and*  
26 *revenue distribution; auditing and compliance; inves-*



1        *tigation and enforcement of royalty and revenue regu-*  
2        *lations; and asset management for onshore and off-*  
3        *shore activities.*

4        *(d) LIMITATION.—The Secretary shall not carry out*  
5        *through the Office any function, power, or duty that is—*

6                *(1) required by section 2 to be carried out*  
7        *through Bureau of Ocean Energy; or*

8                *(2) required by section 3 to be carried out*  
9        *through the Ocean Energy Safety Service.*

10    **SEC. 5. ETHICS AND DRUG TESTING.**

11        *(a) CERTIFICATION.—The Secretary of the Interior*  
12        *shall certify annually that all Department of the Interior*  
13        *officers and employees having regular, direct contact with*  
14        *lessees, contractors, concessionaires, and other businesses in-*  
15        *terested before the Government as a function of their official*  
16        *duties, or conducting investigations, issuing permits, or re-*  
17        *sponsible for oversight of energy programs, are in full com-*  
18        *pliance with all Federal employee ethics laws and regula-*  
19        *tions under the Ethics in Government Act of 1978 (5 U.S.C.*  
20        *App.) and part 2635 of title 5, Code of Federal Regulations,*  
21        *and all guidance issued under subsection (c).*

22        *(b) DRUG TESTING.—The Secretary shall conduct a*  
23        *random drug testing program of all Department of the Inte-*  
24        *rior personnel referred to in subsection (a).*

1       (c) *GUIDANCE.*—Not later than 90 days after the date  
2 of enactment of this Act, the Secretary shall issue supple-  
3 mentary ethics and drug testing guidance for the employees  
4 for which certification is required under subsection (a). The  
5 Secretary shall update the supplementary ethics guidance  
6 not less than once every 3 years thereafter.

7 **SEC. 6. ABOLISHMENT OF MINERALS MANAGEMENT SERV-**  
8                                   **ICE.**

9       (a) *ABOLISHMENT.*—The Minerals Management Serv-  
10 ice is abolished.

11       (b) *COMPLETED ADMINISTRATIVE ACTIONS.*—

12               (1) *IN GENERAL.*—Completed administrative ac-  
13 tions of the Minerals Management Service shall not be  
14 affected by the enactment of this Act, but shall con-  
15 tinue in effect according to their terms until amend-  
16 ed, modified, superseded, terminated, set aside, or re-  
17 voked in accordance with law by an officer of the  
18 United States or a court of competent jurisdiction, or  
19 by operation of law.

20               (2) *COMPLETED ADMINISTRATIVE ACTION DE-*  
21 *FINED.*—For purposes of paragraph (1), the term  
22 “completed administrative action” includes orders,  
23 determinations, memoranda of understanding, memo-  
24 randa of agreements, rules, regulations, personnel ac-

1        *tions, permits, agreements, grants, contracts, certifi-*  
2        *cates, licenses, registrations, and privileges.*

3        *(c) PENDING PROCEEDINGS.—Subject to the authority*  
4        *of the Secretary of the Interior and the officers of the De-*  
5        *partment of the Interior under this Act—*

6                *(1) pending proceedings in the Minerals Manage-*  
7        *ment Service, including notices of proposed rule-*  
8        *making, and applications for licenses, permits, cer-*  
9        *tificates, grants, and financial assistance, shall con-*  
10       *tinue, notwithstanding the enactment of this Act or*  
11       *the vesting of functions of the Service in another*  
12       *agency, unless discontinued or modified under the*  
13       *same terms and conditions and to the same extent*  
14       *that such discontinuance or modification could have*  
15       *occurred if this Act had not been enacted; and*

16               *(2) orders issued in such proceedings, and ap-*  
17       *peals therefrom, and payments made pursuant to*  
18       *such orders, shall issue in the same manner and on*  
19       *the same terms as if this Act had not been enacted,*  
20       *and any such orders shall continue in effect until*  
21       *amended, modified, superseded, terminated, set aside,*  
22       *or revoked by an officer of the United States or a*  
23       *court of competent jurisdiction, or by operation of*  
24       *law.*

1           (d) *PENDING CIVIL ACTIONS.*—Subject to the authority  
2 of the Secretary of the Interior or any officer of the Depart-  
3 ment of the Interior under this Act, pending civil actions  
4 shall continue notwithstanding the enactment of this Act,  
5 and in such civil actions, proceedings shall be had, appeals  
6 taken, and judgments rendered and enforced in the same  
7 manner and with the same effect as if such enactment had  
8 not occurred.

9           (e) *REFERENCES.*—References relating to the Minerals  
10 Management Service in statutes, Executive orders, rules,  
11 regulations, directives, or delegations of authority that pre-  
12 cede the effective date of this Act are deemed to refer, as  
13 appropriate, to the Department, to its officers, employees,  
14 or agents, or to its corresponding organizational units or  
15 functions. Statutory reporting requirements that applied in  
16 relation to the Minerals Management Service immediately  
17 before the effective date of this Act shall continue to apply.

18 **SEC. 7. CONFORMING AMENDMENTS TO EXECUTIVE SCHED-**

19 **ULE PAY RATES.**

20           (a) *UNDER SECRETARY FOR ENERGY, LANDS, AND*  
21 *MINERALS.*—Section 5314 of title 5, United States Code,  
22 is amended by inserting after the item relating to “Under  
23 Secretaries of the Treasury (3)” the following:

24                   “Under Secretary for Energy, Lands, and Min-  
25                   erals, Department of the Interior.”.

1           (b) *ASSISTANT SECRETARIES.*—Section 5315 of title 5,  
2 *United States Code*, is amended by striking “Assistant Sec-  
3 *retaries of the Interior (6).*” and inserting the following:

4           “Assistant Secretaries, Department of the Inte-  
5 *rior (7).*”.

6           (c) *DIRECTORS.*—Section 5316 of title 5, *United States*  
7 *Code*, is amended by striking “Director, Bureau of Mines,  
8 *Department of the Interior.*” and inserting the following  
9 *new items:*

10           “Director, Bureau of Ocean Energy, Department  
11 *of the Interior.*

12           “Director, Ocean Energy Safety Service, Depart-  
13 *ment of the Interior.*

14           “Director, Office of Natural Resources Revenue,  
15 *Department of the Interior.*”.

16 **SEC. 8. OUTER CONTINENTAL SHELF ENERGY SAFETY ADVI-**  
17 **SORY BOARD.**

18           (a) *ESTABLISHMENT.*—The Secretary of the Interior  
19 shall establish, under the Federal Advisory Committee Act,  
20 an Outer Continental Shelf Energy Safety Advisory Board  
21 (referred to in this section as the “Board”)—

22           (1) to provide the Secretary and the Directors es-  
23 *tablished by this Act with independent scientific and*  
24 *technical advice on safe, responsible, and timely min-*

1 *eral and renewable energy exploration, development,*  
2 *and production activities; and*

3 *(2) to review operations of the National Offshore*  
4 *Energy Health and Safety Academy established under*  
5 *section 3(d), including submitting to the Secretary*  
6 *recommendations of curriculum to ensure training*  
7 *scientific and technical advancements.*

8 *(b) MEMBERSHIP.—*

9 *(1) SIZE.—The Board shall consist of not more*  
10 *than 11 members, who—*

11 *(A) shall be appointed by the Secretary*  
12 *based on their expertise in oil and gas drilling,*  
13 *well design, operations, well containment and oil*  
14 *spill response; and*

15 *(B) must have significant scientific, engi-*  
16 *neering, management, and other credentials and*  
17 *a history of working in the field related to safe*  
18 *energy exploration, development, and production*  
19 *activities.*

20 *(2) CONSULTATION AND NOMINATIONS.—The Sec-*  
21 *retary shall consult with the National Academy of*  
22 *Sciences and the National Academy of Engineering to*  
23 *identify potential candidates for the Board and shall*  
24 *take nominations from the public.*

1           (3) *TERM.*—*The Secretary shall appoint Board*  
2           *members to staggered terms of not more than 4 years,*  
3           *and shall not appoint a member for more than 2 con-*  
4           *secutive terms.*

5           (4) *BALANCE.*—*In appointing members to the*  
6           *Board, the Secretary shall ensure a balanced rep-*  
7           *resentation of industry and research interests.*

8           (c) *CHAIR.*—*The Secretary shall appoint the Chair for*  
9           *the Board from among its members.*

10          (d) *MEETINGS.*—*The Board shall meet not less than*  
11          *3 times per year and shall host, at least once per year, a*  
12          *public forum to review and assess the overall energy safety*  
13          *performance of Outer Continental Shelf mineral and renew-*  
14          *able energy resource activities.*

15          (e) *OFFSHORE DRILLING SAFETY ASSESSMENTS AND*  
16          *RECOMMENDATIONS.*—*As part of its duties under this sec-*  
17          *tion, the Board shall, by not later than 180 days after the*  
18          *date of enactment of this section and every 5 years there-*  
19          *after, submit to the Secretary a report that—*

20                 (1) *assesses offshore oil and gas well control tech-*  
21                 *nologies, practices, voluntary standards, and regula-*  
22                 *tions in the United States and elsewhere; and*

23                 (2) *as appropriate, recommends modifications to*  
24                 *the regulations issued under this Act to ensure ade-*  
25                 *quate protection of safety and the environment, in-*

1 *cluding recommendations on how to reduce regula-*  
2 *tions and administrative actions that are duplicative*  
3 *or unnecessary.*

4 *(f) REPORTS.—Reports of the Board shall be submitted*  
5 *by the Board to the Committee on Natural Resources of the*  
6 *House or Representatives and the Committee on Energy*  
7 *and Natural Resources of the Senate and made available*  
8 *to the public in electronically accessible form.*

9 *(g) TRAVEL EXPENSES.—Members of the Board, other*  
10 *than full-time employees of the Federal Government, while*  
11 *attending meeting of the Board or while otherwise serving*  
12 *at the request of the Secretary or the Director while serving*  
13 *away from their homes or regular places of business, may*  
14 *be allowed travel expenses, including per diem in lieu of*  
15 *subsistence, as authorized by section 5703 of title 5, United*  
16 *States Code, for individuals in the Government serving*  
17 *without pay.*

18 **SEC. 9. VETERANS PREFERENCE.**

19 *Consistent with existing law, the Under Secretary for*  
20 *Energy, Lands, and Minerals shall, in administering the*  
21 *programs and authorities referenced under this Act, provide*  
22 *a hiring preference to eligible members listed under section*  
23 *2108 of title 5, United States Code.*





Union Calendar No. 436

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 3404**

[Report No. 112-601]

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## **A BILL**

To establish in the Department of the Interior an Under Secretary for Energy, Lands, and Minerals and a Bureau of Ocean Energy, an Ocean Energy Safety Service, and an Office of Natural Resources Revenue, and for other purposes.

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JULY 17, 2012

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed