

ALASKA LEGISLATURE COMMITTEES 1907-1908  
4856 HRES ANWR: BACKGROUND/HISTORY - ANWR BILLS

428

Alaska Coalition for  
American Energy Security

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## Arctic National Wildlife Refuge

## And America's Energy Need

### ANWR

#### What you should know . . .

The security of the United States is in jeopardy as a result of the dramatic rise in the level of oil imported from the Middle East.

The nation's most promising area for new oil discoveries lies in northeastern Alaska, on the Coastal Plain of the Arctic National Wildlife Refuge.

Congress created the 9 million-acre Arctic National Wildlife Range in 1960. In 1980, Congress passed the Alaska National Interest Lands Conservation Act renaming the area the Arctic National Wildlife Refuge and doubling the acreage which is now over 19 million acres. At the time, Congress recognized the need to assess the oil and gas potential of the Refuge's Coastal Plain — a 1.5 million-acre section of ANWR.

The Department of Interior was directed to conduct a study of the Coastal Plain's potential.

Soon, the question of what to do with ANWR will come before Congress again. The right decision will be to maintain the Coastal Plain as a refuge which could be explored for possible petroleum development under environmentally responsible measures. The wrong decision would be to classify it as wilderness and lock up the region altogether.

We urge you to consider these critical points:

- **REMEMBER THE OIL EMBARGO:** National security and economic stability depend on sufficient on-going quantities of domestic oil production.
- **ANWR's OIL POTENTIAL IS HUGE:** The Coastal Plain of the Arctic National Wildlife Refuge is America's best prospect for new discoveries of domestic petroleum to replace dwindling supplies.

- **TO EXPLORE IS NOT AN EITHER/OR DECISION:** The environmental record in Arctic Alaska provides positive proof that sensible development can coexist harmoniously with wildlife.
- **OIL FIELD CARIBOU THRIVE:** Caribou in North Slope oil fields have tripled in population size since development and biologists expect ANWR caribou to adapt as well.

#### STATE OF ALASKA

- COASTAL PLAIN
- ▨ ARCTIC NATIONAL WILDLIFE REFUGE



## A national need

North Slope production provides this country with more than 20 percent of its domestic supply of oil.

However, with the recent decline in oil prices, oil imports have increased alarmingly to 44.5 percent as of September, 1986. This amount will grow as dwindling domestic reserves are not replaced.

Who can forget the long gas lines of 1973? Most of the free world's proven oil reserves still exist in the Middle East, a region that is no more politically stable today than it was during the oil embargo in 1973, or in 1979 when prices escalated as a result of the Iran/Iraq conflict.

According to the Secretary of Energy and an interim report by the National Petroleum Council (NPC):

- "The positive trends of 1981-1985 toward reduced U.S. dependence on imported oil, particularly from the Middle East, are being reversed. Imports from the Middle East more than doubled during the first seven months of 1986."

- "The recent severe oil price decline has resulted in significant reductions in U.S. exploration, production, and drilling activity; these reductions cannot be quickly reversed."

- "Lower oil prices are encouraging growth in energy demand while reducing U.S. oil and gas production."

- "Until oil prices increase appreciably, U.S. exploration will remain stagnant, our dependence on imports will continue to increase, and our vulnerability to oil price shocks and possible oil shortages or stoppages will rise to an excessively dangerous level. All of this could seriously affect our strategic and national security as well as our economic stability."

## Economic benefits

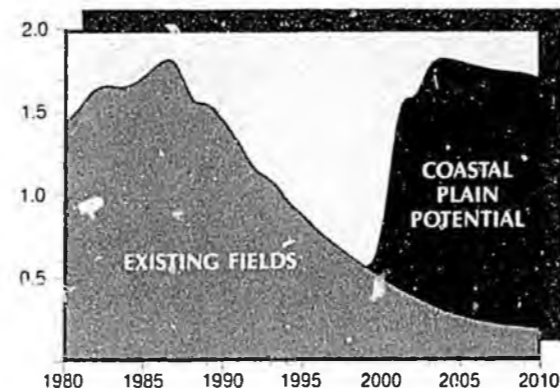
Virtually every state in the Union has experienced the economic benefits of oil production from Alaska's North Slope. But future jobs will depend on new discoveries of oil, since the major planned facilities are now in place. In addition to the money the federal government receives from petroleum lease bonuses, rentals, royalties and excise and income taxes:

**FUTURE SUPPLY/DEMAND OUTLOOK**  
Net U.S. Oil Imports as a Percentage of Oil Consumption



NOTE: Potential import levels are based on responses to an NPC survey of future supply/demand outlooks that utilized two oil price trends provided by the Department of Energy: an upper price trend starting at \$18/barrel in 1986 and growing at a real rate of 5%/year to \$36 in 2000, and a lower price trend starting at \$12/barrel in 1986 and growing at a real rate of 4%/year to \$21 in 2000.

**FUTURE ALASKA NORTH SLOPE PRODUCTION**  
Million Barrels Per Day



- The oil industry in Alaska has spent more than \$25 billion on North Slope development in goods and services purchased in all of the 50 states during the last five years.

- In Alaska, the oil and gas industry provides almost 90 percent of the state's income, and is the largest private employer.

## Gigantic potential

Situated between North America's largest oil field at Prudhoe Bay, and significant commercial discoveries in the Canadian Beaufort Sea and MacKenzie River Delta region, the geology of the Coastal Plain looks encouraging:

- The major geologic trends and rock formations of known North Slope reserves are believed to extend into ANWR.

- The U.S. Geological Survey estimates that ANWR's Coastal Plain may equal or exceed Prudhoe Bay which is expected to recover 9.6 billion barrels of oil.

## An excellent record

The industry's proven commitment to environmental protection, and stringent state and federal regulations would ensure that petroleum development in the Coastal Plain of ANWR would be carried out in a proper manner.

- Fifteen years of studying the North Slope near Prudhoe Bay, and more than forty years of engineering in Arctic Alaska will be applied to exploration and production in ANWR in a manner that protects the environment.

- Developers routinely consider wildlife, use, habitat and drainage in selecting sites for production facilities, roads and pipelines. Directional drilling allows for the consolidation of facilities, preserving acres within the oil field for wildlife habitat.

- Millions of barrels of oil are produced every day in sensitive environments around the country, including other national wildlife refuges.

## A caribou success story

The caribou of the Central Arctic Herd calve and spend their summers on the coastal plain of Alaska — in the Kuparuk and Milne Point oil fields. There's every reason to believe the Porcupine Caribou Herd, whose summer range includes the Coastal Plain of ANWR, would likewise adapt and prosper.

- The last Alaska Fish and Game census shows the Central Arctic Herd is continuing to grow at a healthy

rate, and in fact has tripled since development began.

- During calving and insect harassment periods, oil field activity is routinely curtailed.

- Caribou ramps have been installed over pipelines, even though years of study have shown that caribou do not need ramps in order to cross.



## An urgent decision

In frontier Alaska, production usually takes 10 to 15 years after discovery. In 10 years, domestic production will have significantly diminished without new exploration and development.

The ANWR Coastal Plain holds the greatest promise to supply the domestic reserves necessary to reduce our increasing dependency on foreign oil.

The national security and energy independence of the United States will be greatly enhanced if major petroleum reserves are discovered and developed.

Petroleum development in the ANWR Coastal Plain could provide jobs and economic benefits throughout the country.

- The ANWR decision Congress makes today will affect all our futures. If you agree that our country needs energy security through sensible development, write your Congressional representative today.

MEMO

TO: Sam  
FROM: Sharman  
RE: ANWR -- perspective from Katz' office  
DATE: Oct. 28, 1986

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I spoke with Eric Laschever in Katz' office in Washington. He's been following the ANWR issue there for the gov.

The first thing to be aware of is that ANWR won't be open for exploration until Congress acts. And it could take 2 to 4 years to work out a bill.

Congress won't officially start looking at the issue until the Dept. of Interior (Fish & Wildlife Service) finishes the 1002 report -- probably in early spring or summer. The state is also working on its own report and supplying information to the Dept. of the Interior. Most of this information is confidential until the report will be made public.

It is generally expected that the Dept. of the Interior will recommend allowing exploration and development. The difficult part is setting restrictions on the development.

Of critical concern to the state is the potential for land swaps. Katz' office is regarding land trades as the number one issue to keep on top of. In particular, the state is worried that if the federal government trades ANWR land for native corporation land, then the state could be out of luck as far as collecting royalties, rents and bonuses. Any land exchanges will have to be approved by Congress.

National environmental groups are already organizing their opposition to opening up ANWR and it is being regarded as the environmental battle of the decade. On the pro-open-ANWR side is the Coalition for American Energy Security. (The state isn't a member of this coalition and hasn't yet been actively lobbying yet.)

A related issue is a lawsuit by Trustees of Alaska against the Dept of Interior. If the trustees win, then an EIS has to accompany the study along with the entire public hearing process. In this case, the debate will take place in Alaska before it proceeds to Congress. If the Trustees lose, then the debate will take places simultaneously in Alaska and in Congress and probably take less time.

MEMO

from: Sharman  
re: ANWR land exchanges

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The state is in danger of losing its 90% share of royalties, rents and bonuses of ANWR. Time is very short if the state wishes to retain any or all of the 90% share.

The USF&WS is currently involved in land exchange proposals with several native corporations. F&WS wants to exchange ANWR subsurface rights for native corporation inholdings in federal wildlife refuges.

The state has been in communication with Interior undersecretary Bill Horn on this matter. Horn has assured the governor that the state would be apprised of details regarding land exchanges. Unfortunately, this information seems not to have filtered down to the individuals responsible for implementing the exchanges. Land exchange agreements with Koniag and CIRI are already at a very advanced stage and the state has been unaware of this until this month.

John Doebel, F&WS' land exchange man, had his first official meeting with the state today, Nov. 14. He wouldn't elaborate details of the land agreements but did give an idea of the time schedule, which is very accelerated. He said agreements with native corporations could be signed as soon as next spring. He also mentioned that tract selection would take place very soon -- and that it was almost too late for the state to get involved in the exchange process.

From the state's perspective, it is of the utmost importance to be able to be in the "game" with all the cards before tract selection takes place. Whoever gets to pick first will get the best tracts -- so getting to "play" first is critical. (The native corporations have oil companies advising them.)

The state needs to act quickly if it wants to preserve its options in ANWR.

DNR is going to recommend that the state create a special ANWR task force.

Ideally, it would be nice if this could be announced next week. The RDC is having a noon forum on ANWR next Friday (Nov. 21) and this would be an ideal time. What is needed is for both Sheffield and especially Cooper to endorse this.

The time is so critical because on Nov. 24 the Dept. of the Interior is issuing a draft 1002 (h) report -- the report that begins the debate on opening ANWR.

Nov 19, 1986

# Katz

\* SIS - separate document →  
1002 - end Feb., early March

\* land trade

↳ if done, state could participate if wanted  
- FWS got back to DNIR  
- meantime, PH

Horn \* state want being active

\* incl park lands, too

↳ ~~BAM~~ - have

= DOT's perception that =

= we haven't been moving fast enough =

## ② Native Trades

↳ gov to Horn

↳ "don't consummate until  
we're consulted"

↳ been in constant  
1st contact

↳ State contract to Koniag  
↳ Koniag comments  
then to state & Nat. Corps.

— Valuation - no consensus  
yet =

- Natives identify lands -  
state

- \* 1) state as landowner - we need to get moving
- \* 2) boilerplate contract -  
will get it in timely manner
- \* 3) valuation of native lands -  
selection - not too late?

BA, coming together in  
next few weeks  
- by January?

Congress \* must be approved  
land trade

\* part of 1002

\* priv. land ownership  
into coastal plain

\* y natives - then 90-10 is most?  
\* Kohig \* regarding  
royalty to Fed  
\* fail-safe mechanism  
\*

State revenue

→ STEVENS = 50/50 ?

• Horn-shooting for Jan - ?

• EIS - structures

• 26 sep. on ANWR

• shooting for A

14.30.31

ASRE

- got one of

most promising

• we can oppose

on bad pub. policy ground

• land trade sensibly

→ in which case

state competes w/ native groups

Deal

→ I = embek

→ interview

a lot of "land" DOI "wants park"

McCarthy

Borah "Wolf Young Lips"  
McCarthy

State  
↳ get lands on  
table  
↳

D-2

State doesn't have its act together

Congress?

↳ develop a series  
of policy decisions  
for ANWR

↳ huge fight

# oppose opening

Alaska

- fight 1987
- 88 legislation likely
- possible linkage to other issues like 1991

→ 2 studies on Tongass Nat forest  
to evaluate in cost & fund

# additional wilderness

~~long term~~  
~~millers~~

no miss them two weeks  
to get the underway  
Kenady 3-4 months

~~Kenady~~

Prog:-

Nature trails  
you can enjoy it  
to state part in trade  
DNR is on night track  
time

Page

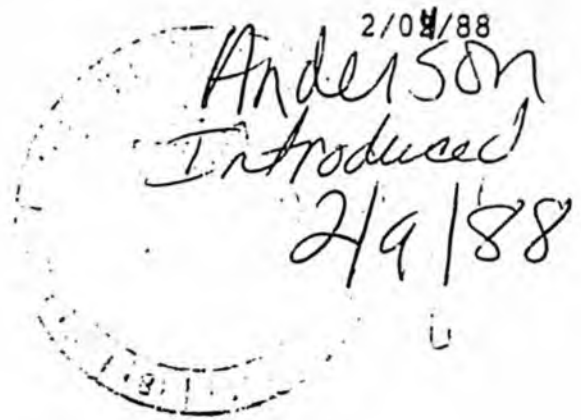
THE PRECEDING PAGES WERE TREATED AS  
A UNIT IN THE ORIGINAL FILE.

ANWR-

Bills

THE FOLLOWING PAGES WERE TREATED AS  
A UNIT IN THE ORIGINAL FILE.

HR 3928  
A BILL



To authorize leasing, exploration, development and production, and transportation of the oil and gas resources of the coastal plain study area of the Arctic National Wildlife Refuge and to provide for the enhancement of the Nation's fish and wildlife resources, the National Wildlife Refuge System, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled

## INDEX

- TITLE I - CONGRESSIONAL FINDINGS, POLICY, AND DEFINITIONS
- SEC. 101 Short Title
  - SEC. 102 Congressional Findings
  - SEC. 103 Declaration of Policy
  - SEC. 104 Definitions
- TITLE II - OIL AND GAS LEASING ON THE COASTAL PLAIN
- SEC. 201 Oil and Gas Leasing, Exploration, Development and Production on the Coastal Plain
  - SEC. 202 Land Use Planning and Facility Consolidation
  - SEC. 203 Jago Highlands Conditional Leasing Program for Concentrated Caribou Calving Area
  - SEC. 204 Land Reclamation
  - SEC. 205 Adequacy of Department of the Interior's Coastal Plain Resource Assessment and Legislative Environmental Impact Assessment
  - SEC. 206 No Significant Adverse Impact Standard to Govern Authorized Coastal Plain Activities
  - SEC. 207 Regulations and Stipulations to Protect the Coastal Plain's Fish and Wildlife Resources, Subsistence Users and the Environment
  - SEC. 208 Authority for Rights-Of-Way
  - SEC. 209 Supplemental Enforcement Authority
  - SEC. 210 Comprehensive Refuge Planning
  - SEC. 211 Consultation and Reporting
  - SEC. 212 Geological and Geophysical Investigations
  - SEC. 213 Arctic Research Commission
  - SEC. 214 Repeal of ANILCA Section 1003
  - SEC. 215 Coastal Plain Liability and Reclamation Fund
  - SEC. 216 Joint Federal-State Coordination
  - SEC. 217 Land Exchange Prohibition
- TITLE III - DISTRIBUTION OF REVENUE
- SEC. 301 Authorization of Coastal Plain Revenue Fund
  - SEC. 302 Disposition of Coastal Plain Leasing Revenues
  - SEC. 303 Reduction in National Debt
  - SEC. 304 General Amendments to the Migratory Bird Hunting Stamp Act
  - SEC. 305 General Amendments to the Migratory Bird Conservation Act
  - SEC. 306 Fish and Wildlife Enhancement Trust Fund

TITLE IV - MISCELLANEOUS PROVISIONS

- SEC. 401 General Enforcement Amendments to the Refuge Administration Act and the Refuge Recreation Act
- SEC. 402 Miscellaneous Property Interests Within Refuges
- SEC. 403 General Amendments to the Fish and Wildlife Improvement Act of 1978
- SEC. 404 Management Plans on National Wildlife Refuges
- SEC. 405 Application of Crude Oil Export Prohibitions
- SEC. 406 Training to Upgrade Job Skills
- SEC. 407 Sadlerochit Spring Special Management Area
- SEC. 408 Establishment of Utokok National Wildlife Refuge
- SEC. 409 Expansion of the Arctic National Wildlife Refuge
- SEC. 410 Removal of Use and Development Restrictions on Private Lands Owned by Arctic Slope Regional Corporation and Kaktovik Inupiat Corporation
- SEC. 411 Redesignation of Boundaries
- SEC. 412 Competition and the Independent Sector of the Oil Industry
- SEC. 413 Joint Environmental and Economic Studies
- SEC. 414 Impact Aid for Affected Communities
- SEC. 415 Energy Conservation and Alternative Energy Research and Demonstration Programs

TITLE I  
CONGRESSIONAL FINDINGS, POLICY, AND DEFINITIONS

SEC. 101. SHORT TITLE. This Act may be cited as the "Arctic Coastal Plain Management Act of 1987".

SEC. 102. CONGRESSIONAL FINDINGS. As the basis for the declaration of policy and authorizations set forth in subsequent provisions of this Act, the Congress finds that:

(1) The Nation's domestic crude oil production is in substantial decline and dependence upon unreliable foreign sources of oil is growing at an alarming rate;

(2) Production from the Prudhoe Bay oil fields on Alaska's North Slope, which now constitutes over 20 per centum of the Nation's total domestic crude oil production, is expected to begin to decline rapidly in 1989;

(3) In 1980, Congress directed the Secretary of the Interior to study the oil and gas potential and the fish and wildlife resources of the 1.5 million acres of public land in the coastal plain study area;

(4) Reports prepared by the Department of the Interior and other Federal, State, and private groups clearly indicate that the public lands within the coastal plain study area constitute the most outstanding oil and gas prospect in the United States;

(5) The results of eighteen years of operations at Prudhoe Bay provide compelling evidence that carefully planned and executed oil and gas exploration, development, production, and transportation on the public lands is consistent with the North Slope's fish and wildlife resources and the needs of subsistence users of those resources;

(6) The long, ten or more years, lead time required for development of one or more major new North Slope oil fields requires a prompt decision by Congress on the future use of the public lands within the coastal plain study area;

(7) Congress finds that the establishment of a joint State/Federal interdisciplinary coordination effort will best accomplish the balance in fulfilling the national interest in expeditious and cost-effective oil and gas development in the coastal plain study area and the national interest in protecting the fish and wildlife resources and the environment of the coastal plain study area;

(8) The general policy regarding the use of national wildlife refuge generated revenues to enhance the National Wildlife Refuge System should be reaffirmed and applied to the disposal, sale, or lease of any and all surface and subsurface natural resources located within the Coastal Plain of the Arctic National Wildlife Refuge;

(9) The recent passage of the Emergency Wetlands Resources Act of 1986 (16 U.S.C. 3901 et seq.) reflects the deep concern that our Nation's wetland resources are disappearing at an accelerating rate and that additional wetland acquisition programs for inclusion in the National Wildlife Refuge System must be initiated immediately before our valuable wetland heritage is lost forever;

(10) While existing national wildlife refuge law allows for commercial utilization of natural resources within units of the National Wildlife Refuge System when such uses are compatible with the purposes for which the unit was established, it is incumbent upon Congress to provide the Secretary of the Interior with adequate authority to regulate such commercial activities and to impose controls for the protection of national wildlife refuge resources;

(11) Given the significant natural values of the Arctic National Wildlife Refuge and the highly favorable prospects for discovering significant reserves of oil and gas beneath the coastal plain of the Refuge, an approach to oil and gas exploration and development is warranted so as to avoid any significant adverse impacts on the fish and wildlife resources, their habitat and the environment within the Arctic Refuge and to provide for the long-term conservation of these resources; and

(12) In addition to management questions specifically related to the Arctic National Wildlife Refuge, there is a need for Congress to enhance and clarify other Federal fish and wildlife conservation authorities and programs which are crucial to the Nation's fish and wildlife resources.

SEC. 103. DECLARATION OF POLICY. The Congress declares that it is the policy of the United States to:

(1) Authorize an exploration and development program for the oil and gas resources of the public lands of the coastal plain which will serve the vital interests of the Nation including:

(a) national security, by providing dependable new sources of domestic oil production outside of the

control and influence of the Organization of Petroleum Exporting Countries;

(b) the interests of American consumers by expanding secure domestic sources of reasonably priced gasoline, diesel, jet fuel, heating oil, and other crude oil products; and

(c) the national economy, by improving the balance of trade through reductions in foreign oil imports, by generating new economic activity, by creating new jobs, and by reducing the Federal deficit through increased tax, competitive bonus bid and royalty revenues.

(2) Dedicate portions of the revenues and proceeds from oil and gas leasing and development within the coastal plain study area for:

(a) support of fish and wildlife conservation programs;

(b) expansion of the National Wildlife Refuge System;

(c) compensating local jurisdictions for the loss of taxable real property;

(d) local impact aid; and

(e) Land and Water Conservation Fund; and

(f) energy conservation and alternative energy demonstration projects.

SEC. 104. DEFINITIONS. As used in this Act:

(1) The term "ANILCA" means the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3101).

(2) The term "Arctic Refuge" means the Arctic National Wildlife Refuge as expanded under section 303(2) of ANILCA.

(3) The term "Bureau" means the Bureau of Land Management.

(4) The term "coastal plain" or "coastal plain study area" means the lands and waters within the Arctic Refuge so identified in section 1002(b)(1) of ANILCA.

(5) The term "Director" means the Director of the United States Fish and Wildlife Service or his designee.

(6) The term "fish and wildlife" means any member of the animal kingdom, including without limitation, any mammal, fish, bird (including any migratory, nonmigratory or endangered or threatened bird for which protection is also afforded by treaty or other international agreement), amphibian, reptile, mollusk, crustacean, anthropod or other invertebrate, and includes any part, product, egg, or offspring thereof, or the dead body or part thereof.

(7) The term "mitigation" means the terms, conditions, prohibitions or restrictions to offset or ameliorate the loss of habitat values, and natural abundance and distribution of populations of fish and wildlife.

(8) The term "national wildlife refuge" means a unit of the Wildlife Refuge System.

(9) The term "Refuge Administration Act" means the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd-558ee).

(10) The term "related activities" means:

(a) the construction, operation and maintenance of any road, structure, or other facility, whether at or beyond a well site, that is associated with any oil and gas exploration, development or production on the coastal plain;

(b) the transportation of personnel and supplies necessary to support oil and gas exploration, development or production on the coastal plain; and,

(c) any other activity related to oil and gas exploration, development or production on the coastal plain that, in the judgment of the Secretary, should be covered by an approved plan of operations in accordance with the provisions of this Act.

(11) The term "Secretary" means the Secretary of the Department of the Interior or his designee.

(12) The term "State" means the State of Alaska.

(13) The term "no significant adverse impact" has the meaning given it in the definition contained in Section 206(a) of this Act.

(14) The term "Wildlife Refuge System" means the National Wildlife Refuge System established under the Refuge Administration Act.

TITLE II  
OIL AND GAS LEASING ON THE COASTAL PLAIN

SEC. 201. OIL AND GAS LEASING, EXPLORATION, DEVELOPMENT AND PRODUCTION ON THE COASTAL PLAIN. (a) GENERAL AUTHORITY FOR LEASING. The Secretary of the Interior is authorized and directed to initiate expeditiously an oil and gas leasing program for the coastal plain in accordance with the provisions of this Act and other applicable provisions of Federal and State law. The Secretary shall require that areas be leased to the highest responsible qualified bidder by competitive bidding. Leasing shall be in units of not more than 2,560 acres or four surveyed or protracted sections, whichever is larger, which shall be as nearly compact in form as possible. Each lease shall be issued for an initial period of fifteen (15) years and shall be extended for so long thereafter as oil or gas is produced in paying quantities from the lease or unit area to which the lease is committed or for so long as continuous drilling or reworking operations, as approved by the Secretary, are conducted thereon or for so long as such lease is subject to an approved unit agreement or suspension of operations or production has been appropriately approved. Drilling or reworking operations shall be continuous so long as no more than one year elapses between the cessation of one operation and the commencement of another.

(b) LEASE SALES. The Secretary shall hold a lease sale within twelve (12) months of the date of enactment of this Act, which sale shall offer for lease all Federal lands within the coastal plain study area which are prospective for oil and gas, and which can, in the opinion of the Secretary, be developed in a manner which will have no significant adverse impacts on the fish and wildlife resources of the coastal plain, and which will be consistent with the provisions of this Act. Subsequent lease sales shall be held not less frequently than every two (2) years and shall offer all Federal lands in the coastal plain which are unleased at the time of the sale, which are prospective for oil and gas and which can, in the opinion of the Secretary, be developed in a manner which will have no significant adverse impacts on the fish and wildlife resources of the coastal plain and which will be consistent with the provisions of this Act. The Secretary may solicit confidential nominations as to lands which are prospective for oil and gas, and shall solicit public comment on whether lands can be developed in a manner which will have no significant adverse impact on the fish and wildlife resources of the coastal plain and which will be consistent with the provisions of this Act.

(c) LEASE TERMS. All leases issued under this section shall be conditioned upon payment by the lessee of cash bonus bids as may be accepted by the Secretary and of royalty as may be fixed in the lease (which shall not be less than 12-1/2 per centum in amount or value of the production removed or sold from the lease), and of a rental of not less than two dollars per acre for each year of the lease. Each year's lease rental shall be paid annually in advance. A minimum royalty of three dollars per acre in lieu of rental shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased. Lessees shall also be required by regulation to pay current fair market value, as determined by the Secretary, for rights-of-way, as well as for sand, gravel and other coastal plain natural resources used by the lessee pursuant to a permit in the course of oil and gas exploration, or development and production.

(d) ADMINISTRATION OF LEASING. The Secretary shall administer the provisions of this Act relating to the leasing of the coastal plain study area, and shall prescribe such rules and regulations as may be necessary to carry out such provisions. The Secretary may promulgate and amend such rules and regulations as he determines to be necessary and proper in order to provide for the prevention of waste and conservation of the natural resources of the coastal plain, and the protection of correlative rights therein, and, notwithstanding any other provisions herein, such rules and regulations shall, as of their effective date, apply to all operations conducted under a lease issued or maintained under the provisions of this Act. In the enforcement of safety, environmental, and conservation laws and regulations, the Secretary shall cooperate with the relevant departments and agencies of the Federal Government and of the State. In the formulation and promulgation of regulations, the Secretary shall request and give due consideration to the views of the Attorney General with respect to matters which may affect competition. In considering any regulations and in preparing any such views, the Attorney General shall consult with the Federal Trade Commission. The regulations prescribed by the Secretary under this subsection shall include but not be limited to, provisions:

- (1) for the assignment or relinquishment of a lease;
- (2) for unitization, pooling, and drilling agreements;
- (3) for the subsurface storage of oil and gas other than by the Federal Government;
- (4) for drilling or easements necessary for exploration, development, and production;

(5) for the prompt and efficient exploration and development of a lease area; and

(6) for the granting of rights-of-way across the coastal plain for the purposes of transporting oil and gas or transporting personnel, equipment, fuel or other goods, substances, or materials used for exploration, or development and production operations under the terms of any lease, permit, right-of-way or easement issued under the provisions of this Act.

(e) COMPLIANCE WITH REGULATIONS. The issuance and continuance in effect of any lease, or of any assignment or other transfer of any lease, under the provisions of this Act shall be conditioned upon compliance with regulations issued under this Act.

(f) CANCELLATION OF NON-PRODUCING LEASE. Whenever the owner of a non-producing lease fails to comply with any of the provisions of this Act, or of the lease, or of the regulations issued under this Act, such lease may be cancelled by the Secretary, subject to the right of judicial review if such default continues for the period of thirty days after receipt of notice by certified letter receipt requested to the lease owner at his record post office address unless the Secretary determines that actions have been initiated and prudently pursued to completion to cure such default.

(g) CANCELLATION OF PRODUCING LEASE. Whenever the owner of any producing lease fails to comply with any of the provisions of this Act, of the lease, or of the regulations issued under this Act, such lease may be forfeited and cancelled by an appropriate proceeding in any United States district court having jurisdiction under the provisions of this Act.

(h) PLAN OF OPERATIONS. (1) IN GENERAL. Oil and gas lessees shall prepare and submit to the Secretary for approval separate plans of operation for exploration, or development and production. A plan may apply to more than one lease held by a lessee or by a group of lessees acting jointly. No construction, operation, or related activities shall take place prior to the Secretary's approval of a proposed plan of operations. A proposed plan of operations must set forth such information as the Secretary may require to determine whether the proposed activities contained in the plan are consistent with this title and oil and gas leasing regulations issued thereunder, as well as with other applicable Federal and State laws. Plans of operations shall include, but not be limited to, a description of the sites where proposed exploration, development and

production, or related activities would take place and a description and schedule of the equipment, facilities, means of access and related manpower that would be used in carrying out the proposed activities.

(2) ENVIRONMENTAL ANALYSIS. The Secretary shall cause an environmental analysis to be prepared on the proposed plan of operations which shall assess the quality, quantity and relative abundance of habitat types that will be affected by the exploration, development and production, or related activities set forth in the plan of operations. The environmental analysis shall also assess the anticipated effects that such activities will have on fish and wildlife population, their habitat and the environment, including the water, sand and gravel resources of the coastal plain, and shall include a mitigation plan to be implemented to avoid or minimize any significant adverse impact on fish and wildlife, their habitat and the environment. To the extent possible, the Secretary shall incorporate and utilize environmental analyses prepared for previous plans of operations and lease sales.

(3) NOTICE AND COMMENT. After a proposed plan of operations is submitted for approval, the Secretary shall:

(A) immediately publish notice of the submission in the Federal Register and newspapers of general circulation in the State; and

(B) within 30 days, if requested by the State or a local government, hold a minimum of two public hearings in the State, including one in the Village of Kaktovik, for purposes of receiving the comments of the public on the proposed plan.

(4) COORDINATION OF PERMITTING. It is the intent of Congress that permitting of oil and gas operations on the coastal plain be expedited as much as possible, consistent with the protection of the fish and wildlife resources of the coastal plain and the provisions of this Act. The Secretary is encouraged to coordinate permitting of operations under this Act with such other permits as may be required by other agencies, whether States or Federal, and, to the extent possible, provide for the concurrent running of necessary notice and comment periods required for such permits. The Secretary is encouraged to enter into such memoranda of understanding, cooperative agreements or other consultative mechanism as may be necessary or helpful to accomplish the expedited permitting intended by this paragraph and in accordance with Section 216 of this Act.

(5) DETERMINATION. The Secretary, after taking into account any comment received under paragraph (3) of this subsection, but within 60 days of receipt of the proposed plan of operations, shall determine whether the proposed plan of operations is consistent with management of the fish and wildlife resources of the coastal plain, the provisions of this title and its implementing regulations, the provisions of Section 216, and other applicable provisions of Federal and State law. If that determination is in the affirmative, he shall approve the plan and issue a permit for the activities contained in the particular plan. If that determination is not in the affirmative, the Secretary shall return the plan along with a statement of modifications necessary for its approval. The Secretary, as a condition of approving any proposed plan of operations under this paragraph:

(A) may require that modifications be made to the plan as necessary or appropriate to make it consistent with this title, its implementing regulations, and other applicable provisions of Federal and State law; and

(B) may require periodic reports regarding the carrying out of the exploration, or development and production activities covered in the plan for purposes of determining the extent to which the plan is being complied with.

(i) SUSPENSION OF LEASE. A lease shall be suspended, including all rent or minimum royalty payments thereunder if:

(1) within six months of submission of a complete plan of operations for exploration or development and production, as required by subsection (h) of this section, the Secretary has neither approved nor rejected the proposed plan;

(2) the Secretary determines that exploration operations or development and production operations have been prevented by force majeure. Force majeure means war, riots, acts of God, unusually severe weather, or any other cause beyond the lessee's reasonable ability to control and includes construction or negotiation for use of transportation facilities, the operational failure of existing transportation facilities and delays caused by judicial decisions or lack of them; or

(3) the Secretary determines that there is a threat of a significant adverse impact upon human life, fish and wildlife, their habitat or the environment.

No rent or minimum royalty payments shall be suspended as the result of gross negligence or the willful violation of the lease, special use permit, or of the regulations issued with respect to the lease or permit. No lease shall expire if suspended pursuant to this subsection. The term of any suspended lease shall be extended by the period of suspension.

(j) CANCELLATION OF LEASE DUE TO ENVIRONMENTAL HAZARDS.

(1) Subject to the provisions of subsections (f) and (g) of this section, the Secretary may cancel any lease or permit if he determines that:

(A) continued activity pursuant to the lease or permit would result in significant adverse impacts upon human life, fish and wildlife, their habitat or the environment;

(B) the threat of significant adverse impacts will not diminish or cease to an acceptable extent within a reasonable period of time; and

(C) the advantages of cancellation outweigh the advantages of continuing such lease or permit in force.

(2) Cancellation shall not occur unless and until operations under the lease or permit have been under suspension, or temporary prohibition, by the Secretary, with due extension of any lease or permit term continuously for a period of five years, or for a lesser period upon request of the lessee.

(3) Cancellation of a lease pursuant to this section shall entitle the lessee to receive such compensation as he demonstrates to the Secretary to be equal to the lesser of:

(A) the fair market value of the cancelled rights as of the date of cancellation, taking into account both reasonably estimated revenues from the lease and reasonably estimated and prudent costs, including the costs of compliance with all applicable regulations and operating orders, liability for cleanup costs or damages, or both, in the case of an oil spill or spill of other hazardous or toxic materials, and all other costs reasonably anticipated on the lease; or

(B) the excess, if any, over the lessee's revenues, from the lease (plus interest thereon from the date of receipt to date of reimbursement) of all consideration paid for the lease and all direct expenditures made by the lessee after the date of

issuance of such lease and in connection with exploration or development, or both, pursuant to the lease (plus interest on such consideration and such expenditures from date of payment to date of reimbursement).

(4) In the case of joint leases which are cancelled due to the failure of one or more partners to exercise due diligence, the innocent parties shall have the right to seek damages for their loss from the responsible party or parties and be reissued the lease in question provided that the innocent party can show that neither subsection (j)(A), (B), or (C) apply.

(k) ROYALTY MANAGEMENT. The provisions of the Federal Oil and Gas Royalty Management Act of 1982 (U.S.C. 1701) shall apply to royalties generated from oil and gas leasing on the coastal plain. For the purpose of encouraging the greatest ultimate recovery of oil and gas, and in the interest of conservation of natural resources, the Secretary may reduce the rental, or minimum royalty, or reduce the royalty of an entire leasehold, or on any tract or portion thereof segregated for royalty purposes, whenever in his judgment the leases cannot be successfully operated under the terms provided therein. The Secretary shall notify the appropriate Committees of Congress on an annual basis of the reduction of any rents or royalties pursuant to this subsection.

SEC. 202. LAND USE PLANNING AND FACILITY CONSOLIDATION.

(a) In connection with the selection and designation of lands for leasing under section 201, the development of environmental regulations and stipulations under section 207, and the review of the plan of operations submitted under section 201(h), the Secretary shall initiate and undertake a continuing process of land use planning to govern, guide and direct the exploration, development and transportation of coastal plain oil and gas resources. This planning process shall have the following objectives:

(1) avoiding unnecessary duplication of facilities and activities;

(2) encouraging consolidation of common facilities and activities;

(3) locating or confining facilities and activities to areas which will minimize impact on fish and wildlife and the environment;

(4) utilizing existing facilities wherever practicable; and

(5) enhancing compatibility between wildlife values and developmental activities.

(b) Planning activities conducted by the Secretary under subsection (a) shall be conducted in a manner which will: (1) permit a thorough exploration of the coastal plain's hydrocarbon resource potential; (2) not unduly or unreasonably sacrifice economic efficiency; (3) maximize recovery of commercial oil and gas resources; and (4) provide for consultation with the State of Alaska, the North Slope Borough and the Village of Kaktovik.

(c) All activities authorized under this Act, including right-of-way, transportation and other related activities shall be subject to the standards and requirements of this Section.

SEC. 203. JAGO HIGHLANDS CONDITIONAL LEASING PROGRAM FOR CONCENTRATED CARIBOU CALVING AREA. (a) The Jago Highlands area identified as a concentrated caribou calving area in the "Arctic National Wildlife Refuge, Alaska, Coastal Plain Resource Assessment" (April, 1987) is hereby authorized for inclusion in the competitive leasing program provided for under the terms of this Act. Leasing of this area shall be subject to the special Conditional Leasing Program set forth in this section.

(b) The successful bonus bidders for leases in the Jago Highlands area must, as a condition of their leases, agree to unitize all leases within this area to form no more than two Exploration Units. The Operator of the Exploration Units shall be designated by the lease holders.

(c) Leases issued within the Jago Highlands area under the special Conditional Leasing Program shall contain seasonal, siting and use conditions which shall include requirements that:

(1) exploratory activities be conducted in a manner and confined to periods which will not interfere with use of the area by caribou;

(2) access to the leases be by ice road, ice air strip, by helicopter, or by a low-impact surface vehicle such as a rolligon that will not permanently damage the tundra of unfrozen surface;

(3) exploratory wells may not be drilled during the period of extensive caribou use, subject to two potential exceptions under subsection (g), pending a decision to proceed with development and production; and

(4) no permanent roads be built in the Jago Highlands pending a decision under this section to proceed to the development and production phase.

(d) All exploratory and related activities taking place in the Jago Highlands shall be reviewed and monitored as determined appropriate by the Members of the Joint Wildlife Committee. The Members of the Joint Wildlife Committee shall consist of three representatives of the State appointed by the Governor of Alaska and three representatives of the Department of the Interior appointed by the Secretary. Representatives of the North Slope Borough and representatives of the Operator and the lease holders shall have non-voting, formal status as Participants in all meetings of the Joint Wildlife Committee.

(e) The Joint Wildlife Committee shall be responsible for the following activities in the Jago Highlands area:

(1) making land use planning suggestions to the Operator, the Secretary and to the Governor;

(2) reviewing proposed exploration plans;

(3) proposing appropriate caribou and wildlife mitigation measures;

(4) monitoring the impact of exploratory activities on caribou and other wildlife;

(5) conducting any needed biological or habitat research; and

(6) evaluating the significance of any adverse impacts of exploration and related activities on caribou and other fish and wildlife species.

To the extent that funds are available, the costs of the Joint Wildlife Committee's research and other activities (not including salary or travel) shall be reimbursed from a special \$2.50 per acre annual rental surcharge on leases issued on lands within the Jago Highlands area.

(f) If, as a result of exploratory drilling in the Jago Highlands, oil and gas is discovered, confirmation wells and delineation drilling may be conducted for the purpose of determining the extent of the reserves and whether they are present in commercial quantities. Confirmation wells and delineation drilling shall be subject to the same special conditions and regulations required by this section for exploratory drilling and related activities.

(g) The Joint Wildlife Committee is authorized to recommend to the Secretary that permits be granted for the drilling of no more than two (2) wells in the Jago Highlands during the summer season if the Committee determines and the Secretary concurs that evaluation of the actual impacts of exploratory activities on caribou which utilize the Jago Highlands in the early months of summer would result in new and useful scientific information relevant to future decisions on development and production within the Jago Highlands.

(h) Following confirmation of a discovery well in the Jago Highlands area, the Operator or Operators of the Exploration Unit shall prepare and submit to the Secretary and to the Joint Wildlife Committee a plan of operations. The plan shall be so designed as to minimize any significant adverse impact on caribou and other fish and wildlife which utilize the area. The Joint Committee shall review the plan and may make suggestions and recommendations to the Secretary for modifications.

(i) If a commercial discovery has been made and confirmed in the Jago Highlands area within six years after the date of enactment of this Act, or if at any time thereafter a commercial discovery is made and confirmed, the Operator of the Exploration Unit, after the submission of a development and production plan, may request the Secretary for permission to proceed to development and production on all or some of the leases in the Exploration Unit. Upon receipt of a proper request from the Operator the Secretary shall request the Joint Wildlife Committee to submit their recommendations. The Joint Committee's recommendations shall be available to the public. The Secretary and the Governor shall have authority to modify the recommendations of their respective appointees on the Joint Committee to reflect overriding concerns of Interior Department or of State policy not within the wildlife biology and habitat purview of the Members of the Joint Wildlife Committee.

(j) If the recommendation of the Joint Wildlife Committee, as may be modified by the Secretary and the Governor under Subsection (i), is to proceed with development and production, the Secretary may authorize development and production subject to appropriate regulations, conditions and stipulations. The Joint Wildlife Committee shall continue to monitor exploration, development and production activities and perform all activities assigned under subsection (e).

(k) In the event that: (1) the State and Federal representatives on the Joint Wildlife Committee are unable to concur on a recommendation; or (2) their respective recommendation is not to proceed with development and production; their respective positions, and the evidentiary basis for such

positions, shall be reviewed by the Secretary and the Governor. Following this review, if the Secretary and the Governor agree not to permit development and production of all or part of the Jago Highlands area, the provisions of subsection (o) below shall, at the election of the affected lease holders, become operative. If the Secretary and the Governor disagree on proceeding to development and production on all or part of the Jago Highlands area, the respective positions of the Secretary and the Governor shall be submitted to and reviewed by the Chairman of the Council on Environmental Quality and the Secretary of Energy. This review shall be conducted in the context of the needs and goals of national energy policy and national environmental policy. The Chairman and the Secretary of Energy shall have up to ninety days in which to conduct their review and to submit a recommendation or recommendations to the President. The President shall, after considering the major contested issues, make a decision, on the basis of the best interests of the Nation, as to whether development and production may proceed in all or a part of the Jago Highlands area.

(l) Judicial review of any decision taken under this section shall be expedited and limited pursuant to Section 205(b) of this Act.

(m) Any recommendations or decisions under subsection (j) and (k) above shall be based upon the environmental standard set forth in Section 206 governing the administration of this Act.

(n) The exploratory drilling program for the Jago Highlands area may continue so long as there is active industry interest even though no commercial discovery has been made.

(o) If a decision is made under subsection (k) not to proceed with development and production the Secretary shall cancel the leases pursuant to Section 201(j) of this Act.

SEC. 204. LAND RECLAMATION. The holder of a lease or leases on lands within the coastal plain study area shall be fully responsible and liable for the reclamation of any significant disturbance on any Federal, State or private lands in connection with exploration, development or transportation activities on a lease within the coastal plain study area. The holder of a lease shall also be responsible for conducting any land reclamation required as a result of activities conducted on the lease by any of the lease holder's subcontractors or agents. The holder of a lease may not delegate or convey, by contract or otherwise, this responsibility and liability to another party without the express approval of the Secretary.

SEC. 205. ADEQUACY OF DEPARTMENT OF THE INTERIOR'S COASTAL PLAIN RESOURCE ASSESSMENT AND LEGISLATIVE ENVIRONMENTAL IMPACT ASSESSMENT. (a)(1) In recognition of the rate of decline in domestic crude oil production and reserves, the anticipated decline in Prudhoe Bay production, the very long lead-times for exploration and development of new discoveries in the Arctic, and the extensive consideration given this issue by the Congress and its jurisdictional committees, the "Arctic National Wildlife Refuge, Alaska, Coastal Plain Resource Assessment" prepared by the Department of the Interior pursuant to Section 1002(h) of the Alaska National Interest Lands Conservation Act and the "Final Legislative Environmental Impact Statement" (April 1987) on the coastal plain prepared pursuant to section 102 of the National Environmental Policy Act, are hereby found by the Congress to be adequate for the purposes for which they were prepared and to satisfy the legal requirements under both of these statutes with respect to actions authorized to be taken by the Secretary to develop and implement regulations and procedures for implementing the coastal plain competitive leasing program and conducting the first lease sale authorized by this Act.

(2) The April 1987 Final Legislative Environmental Impact Statement on the coastal plain study area shall constitute a programmatic statement for the coastal plain competitive leasing program. Other than as specifically required by this Act, no further studies, reports, statements or assessments under any other Act, including the Alaska National Interest Lands Conservation Act and the National Environmental Policy Act, shall, as a matter of law, be required before the Secretary or other appropriate Federal officials may promulgate regulations and undertake and complete those actions specifically authorized by the Congress for the establishment and implementation of the coastal plain competitive leasing program and conducting the first lease sale.

(3) Nothing in Section 205(a)(1) shall be considered or construed as otherwise limiting or affecting in any way the applicability of Section 102 of the National Environmental Policy Act to all post-leasing phases of oil and gas exploration, development and production and related activities conducted under or associated with the coastal plain competitive leasing program.

(b) JUDICIAL REVIEW. (1) It is the intent of Congress that judicial review of any administrative action pursuant to this Act, including compliance with the National Environmental Policy Act of 1969, shall be expedited to the maximum extent possible.

(2) Any action seeking judicial review of the adequacy of any Environmental Impact Statement under the National Environmental Policy Act of 1969 or other analysis contained in a decision document concerning oil and gas leasing and other activities authorized under this Act shall be barred unless brought in the appropriate District Court within 45 days after notice of the Secretary's final decision and the decisional document's availability is published in the Federal Register.

(c) CONGRESSIONAL POLICY ON COASTAL PLAIN STUDY AREA. Enactment of this Act by the Congress establishes the policies which will govern activities authorized or conducted on the coastal plain study area and no further findings or determinations by the Secretary under the National Wildlife Refuge System Administration Act or other Acts of Congress is required to implement this policy.

(d) COMPLIANCE WITH NATIONAL ENVIRONMENTAL POLICY ACT.

(1) The Secretary shall assure that there is compliance with the National Environmental Policy Act for those activities proposed in each exploration plan submitted pursuant to a lease sale and for each operator-lessee development and production plan submitted for commercial developmental activities.

(2) Where activities proposed under an exploration plan or under a development and production plan require the preparation of an Environmental Impact Statement, one section of such statement shall specifically address the potential impacts of the activity involved on the subsistence requirements, cultural traditions and life style of the Eskimo residents of the Village of Kaktovik and any other affected Alaskan Village. The analysis contained in such section shall satisfy the provisions of Section 810 of ANILCA.

SEC. 206. NO SIGNIFICANT ADVERSE IMPACT STANDARD TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES. (a) The conduct of all activities authorized under this Act shall be managed by the Secretary through regulations, lease terms, conditions, restrictions, prohibitions, stipulations and other provisions which will allow those activities necessary to exploration and development to take place, but regulating them in a manner so that they will not result in significant adverse impacts on fish and wildlife, their habitat, the environment, and the subsistence uses of local residents. For the purposes of this Act, the environmental standard of "no significant adverse impact" is defined to mean the utilization of the highest economically

realistic standards for Arctic wildlife and environmental protection, consistent with: (1) prior operating experience; (2) best available proven and practicable technology and engineering procedures; (3) avoiding reasonably foreseeable adverse impacts; (4) having in place appropriate mitigation measures to deal with reasonably expected and significant risks; and (5) acting to minimize any unavoidable adverse impacts.

(b) In developing regulations, lease terms and conditions under Section 207 to implement the environmental standard defined in subsection (a) and achieve the purposes, goals and objectives of this Act, the Secretary shall have the benefit of the results of the regulatory and operational experience gained under the regulations, lease terms, stipulations and programs referenced in Section 207(b)(1) through (8).

SEC. 207. REGULATIONS AND STIPULATIONS TO PROTECT THE COASTAL PLAIN'S FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS AND THE ENVIRONMENT. (a) REGULATIONS. Prior to implementing the coastal plain leasing program authorized by this Act, the Secretary shall prepare and promulgate proposed regulations, lease terms, conditions, stipulations and other measures designed to ensure that the activities undertaken in the coastal plain study area are conducted in a manner consistent with the purposes and environmental requirements of Section 216 and of this Act and the protection of the needs of subsistence users, fish and wildlife resources, and the environment of the coastal plain study area.

(b) CONTENT. The proposed regulations, lease terms, conditions, and stipulations for the coastal plain leasing program shall include all applicable provisions of Federal and State environmental law and shall also include, as the Secretary, after consultation with the Governor of the State of Alaska, determines the most appropriate means to achieve the greatest degree of consistency between the goals of fish and wildlife protection and the purposes of this Act in authorizing exploration and development in the coastal plain study area. These regulations, lease terms, conditions, and stipulations may include the following:

(1) procedures under which any applicable areas of significant environmental value, subsistence use, or fish and wildlife value are accorded appropriate safeguards and protection;

(2) seasonal and siting restrictions on specified exploration and developmental activities in the coastal plain study area;

(3) site specific stipulations and provisions for special use permits to regulate specific activities;

(4) safety and environmental stipulations and mitigation measures set forth in items one through twenty-nine (1 to 29) at pages 167-169 of the final Arctic National Wildlife Refuge, Alaska, Coastal Plain Resource Assessment (April 1987);

(5) environmental protection standards which governed the initial coastal plain seismic exploration program (50 Code of Federal Regulations 37.31-33);

(6) land use stipulations for exploratory drilling on the KIC-ASRC private lands which are set forth in Appendix 2 of the August 9, 1983 agreement between Arctic Slope Regional Corporation and the United States; and

(7) such other measures as are determined by the Secretary to be required to insure that activities under the coastal plain competitive leasing program authorized by this Act are conducted in a manner consistent with the provisions of this Act, and the provisions of applicable law for the protection of the subsistence users, the fish and wildlife resources and the environment of the coastal plain study area.

SEC. 208. AUTHORITY FOR RIGHTS-OF-WAY. (a) AUTHORITY. In addition to any other provision of Federal law granting right-of-way or easement authority, the Secretary is authorized to grant such easements and rights-of-way across the coastal plain study area, other parts of the Arctic Refuge, and other Federal lands as are necessary or reasonably necessary for the exploration, development and production, or transportation of oil or gas from the coastal plain or other Federal, State, or privately owned lands. Regulations issued pursuant to Title II shall include provisions regarding the granting of such rights-of-way and easements. Any construction specifications regarding the transportation of oil or gas shall be developed in consultation with the State of Alaska. Right-of-way regulations shall be consistent with all stipulations and restrictions set forth in this Title. These regulations shall apply to any right-of-way or easement request regardless of whether or not the request is associated with an authorized Federal oil and gas leasing program on the coastal plain. Rights-of-way or easements granted under this section and this Act are not subject to Title XI of ANILCA.

(b) RELINQUISHMENT. Easements or rights-of-way granted under subsection (a) of this section may be relinquished. The holder of a relinquished right-of-way or easement shall be

entitled to compensation if the holder demonstrates to the Secretary the following:

(1) the reason for relinquishment was the cancellation of oil and gas leases under section 201(j) of this Act;

(2) such cancellation was beyond the control of the holder of the relinquished right-of-way or easement;

(3) the holder of the relinquished right-of-way or easement reasonably relied on the continuation of the cancelled oil and gas leases; and

(4) the cancellation of the oil and gas leases has effectively frustrated the purpose of the right-of-way or easement.

(c) Upon demonstration of the above, the holder of the relinquished right-of-way or easement shall be entitled to compensation as is shown to the Secretary to be equal to the lesser of:

(1) the fair market value of the relinquished rights prior to the cancellation of the oil and gas leases on which the right-of-way or easement holder had relied. Fair market value shall take into account both reasonably estimated revenues and reasonably estimated and presently incurred costs including the costs of compliance with all applicable regulations, liability for cleanup costs or damages, or both, in the case of an oil spill or spill of other hazardous or toxic materials and all other costs reasonably anticipated in the operation of the right-of-way or easement for its intended purposes; or

(2) the excess, if any, over the right-of-way or easement holders' revenues (plus interest thereon from the date of reimbursement of all consideration paid for the right-of-way or easement) and all direct expenditures made by the holder after the date of issuance of the right-of-way or easement in connection with its intended purpose (plus interest on such consideration and such expenditures from date of payment to date of reimbursement).

SEC. 209. SUPPLEMENTAL ENFORCEMENT AUTHORITY.

(a) DEFINITIONS. As used in this section:

(1) "damages" means damages for injury to, destruction of, or loss of natural resources and damages for economic loss specified in paragraph (e)(3) of this section;

(2) "discharges" means any emission, intentional or unintentional, and includes, but is not limited to spilling, leaking, pumping, pouring, emitting, emptying, or dumping;

(3) "natural resources" includes land, fish, wildlife biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States or the State;

(4) "oil" means petroleum, including crude oil or any fraction or residue therefrom;

(5) "remove" or "removal" refers to the removal of hazardous or toxic substances as defined in the Resource Conservation Recovery Act from the land or water within the coastal plain or the taking of other actions as may be necessary to prevent, minimize, compensate, or otherwise mitigate damage to the natural resources of the coastal plain and to the public health or welfare;

(6) "removal costs" means all costs of removal taken after a discharge of oil or hazardous or toxic substances has occurred, including all costs of completing removal, and all costs to prevent, minimize, compensate, or otherwise mitigate oil or hazardous or toxic substance pollution where there was a substantial threat of a discharge of oil or hazardous or toxic substances; and

(7) "responsible party" means any person issued a permit or lease under section 201 of this Act, or granted an easement or right-of-way under section 208 of this Act. The term shall include all employees, operators and agents of such responsible parties.

(b) CIVIL AND CRIMINAL ACTIONS. In addition to remedies available under other applicable provisions of law, whenever the Secretary determines that any person involved in oil and gas exploration, development and production, or related activities on the coastal plain is in violation of any applicable provision of Federal law administered or enforceable by rule, regulation, or order, including any term or condition of any right-of-way, permit, lease, or other authorization, issued or granted by the Secretary, the Secretary may:

(1) issue a compliance order requiring the person to take immediate action to comply with such provision or any rule, regulation, or order thereunder;

(2) assess a civil penalty, not to exceed \$10,000 for each violation, in accordance with the procedures set forth in section 1002(g) of ANILCA. For purposes of imposing a civil penalty in connection with the violation of any right-of-way term or condition involving the construction, operation or maintenance of an oil or gas pipeline, the maximum amount of the civil penalty authorized under this subsection may not exceed \$25,000 for each violation. Each day of a continuing violation shall constitute a separate violation and offense;

(3) bring a civil action in accordance with subsections (d) and (e) of this section; or

(4) bring a criminal action in accordance with section 4 of the Refuge Administration Act as amended by section 401 of this Act.

(c) SPECIFICITY OF COMPLIANCE ORDER. Any order issued under subsection (b)(1) of this section shall state with reasonable specificity the nature of the violation and shall, except in emergency situations, establish a time limit for compliance, not to exceed 30 days, which the Secretary determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with the applicable provisions of law.

(d) INJUNCTIVE AND OTHER CIVIL RELIEF. Upon request of the Secretary, the Attorney General shall commence a civil action for appropriate civil relief, including but not limited to damages or removal costs established under subsection (e) of this section, specific performance or a permanent or temporary injunction for any violation set forth in subsection (b) of this section. Any action under this subsection may be brought in the district court of the United States for the State, the District of Columbia, or the district court in which the defendant is located, resides or is conducting business. Any such court shall have jurisdiction to restrain such violation, require compliance, or give ancillary relief.

(e) REMOVAL COSTS AND LIABILITY FOR DAMAGES. Notwithstanding any other provision of law, if any area of the coastal plain is polluted by discharges of oil or hazardous or toxic substances from any exploratory or development drilling, or development or production of oil or gas or related activities conducted by, or on behalf of, a responsible party, and the pollution damages fish and wildlife, their habitat, or the environment of the coastal plain, or where there is a substantial threat of damaging those natural resources, the responsible party shall be jointly, severally and strictly liable for the removal

costs and damages specified in this subsection that arise directly out of or directly result from such pollution or threat. Upon failure of the responsible party to adequately control and remove the pollutant or threat, the Secretary, in cooperation with other Federal, State, or local agencies, or in cooperation with the responsible party, or both, shall have the right to accomplish the control and removal at the expense of the responsible party. The removal costs and damage referred to in this subsection are the following:

(1) all necessary removal costs as determined by the Secretary;

(2) damages for injury to, destruction of, loss of, and replacement for natural resources, including the reasonable costs of assessing such injury, destruction, loss or replacement; and

(3) damages for economic loss resulting from injury to, or destruction of, real or personal property or natural resources, and loss of subsistence use of natural resources by local rural residents.

SEC. 210. COMPREHENSIVE REFUGE PLANNING. The Secretary shall revise the comprehensive conservation plan prepared for the Arctic Refuge pursuant to section 304(g) of ANILCA within one year after the first oil and gas leasing for the coastal plain pursuant to section 201 of this Act. The revised comprehensive conservation plan shall include the coastal plain of the Arctic Refuge and shall reflect the management authorities and limitations then applicable to the Arctic Refuge.

SEC. 211. CONSULTATION AND REPORTING. (a) CONSULTATION RESPONSIBILITIES. In developing oil and gas leasing regulations and related stipulations, terms and conditions pursuant to the provisions of this title, the Secretary shall work closely with the Governor of the State and affected Native Village and Regional Corporations in evaluating the impact of oil and gas exploration, development and production, and related activities on the fish and wildlife resources, their habitat and the environment of the coastal plain. In addition, and prior to publication of draft oil and gas leasing regulations, the Secretary shall consult with the appropriate agencies of the Government of Canada in evaluating such impacts, particularly with respect to the Porcupine Caribou Herd and other shared migratory resources.

(b) ANNUAL REPORT. The Secretary shall report annually to the appropriate Committees of Congress on the status of the coastal plain leasing program. The report shall describe: the

areas which have been leased; the level of exploration, development and production on those areas; violations, if any, of the stipulations, terms and conditions of oil and gas leases and the Secretary's response to those violations; the population status of the Porcupine and Central Arctic caribou herds, the polar bear, muskoxen and lesser snow geese; and adverse effects, if any, of leasing activities upon populations of fish and wildlife, their habitat and the environment.

SEC. 212. GEOLOGICAL AND GEOPHYSICAL INVESTIGATIONS.

(a) Any agency of the United States, the State of Alaska, and any person authorized by the Secretary may conduct geological and geophysical investigations of the coastal plain which do not interfere with operations under any lease or permit issued under this title. Provided, however, that any investigation involving seismic testing shall be conducted in accordance with the regulations in 50 C.F.R. 37.31-37.33 existing on the date of enactment or such other regulations as the Secretary may prescribe.

(b) The Secretary is authorized and directed to promulgate regulations to govern the treatment and confidentiality of data and information acquired as a result of geological and geophysical investigations, exploration, development and production on the coastal plain. These regulations shall be based upon the provisions of this Act and the applicable provisions of the Outer Continental Shelf Lands Act.

SEC. 213. ARCTIC RESEARCH COMMISSION. In the administration of this Title the Secretary is authorized, on a reimbursable basis, to call upon the Arctic Research Commission 15 U.S.C. 4102 to review and comment on proposed regulations, lease terms and conditions, stipulations and other matters associated with the administration of this Act.

SEC. 214. REPEAL OF ANILCA SECTION 1003. The provisions of Section 1003 of ANILCA (16 U.S.C. 3143) are hereby repealed. No surface disturbance in support of oil and gas development or production involving such subsurface property interests shall be authorized prior to publication of final regulations issued pursuant to this Act which establish environmental stipulations, terms and conditions for oil and gas leasing on the Coastal Plain. The substantive provisions of such environmental stipulations, terms and conditions shall apply to the development of all subsurface property interests owned by the Inupiat Eskimo people within and adjacent to the Coastal Plain.

SEC. 215. COASTAL PLAIN LIABILITY AND RECLAMATION FUND.

(a) Within six months of a commercial discovery within the coastal plain study area, the Coastal Plain Liability and Reclamation Fund (the "Reclamation Fund") is hereby directed to be established as a non-profit corporate entity under the laws of Alaska that may sue and be sued in its own name. The Reclamation Fund shall be established and administered under regulations prescribed by the Secretary of the Interior by the holder of the right-of-way permit for the construction of a trunk pipeline to move commercial discoveries of oil on the coastal plain to a connection with the Trans-Alaska pipeline. For purposes of this section the holder of the permit is designated as the operator of the pipeline. The Reclamation Fund shall be subject to an annual audit by the Comptroller General, and a copy of the audit shall be submitted to the Congress.

(b) The operator of the Pipeline shall collect from the owner of any commercially produced crude oil or natural gas liquids from the coastal plain at the time and point where such crude oil first enters the Pipeline a fee of five cents per barrel. The collection of the fee shall cease when \$50,000,000 has been accumulated in the Reclamation Fund, and it shall be resumed at any time that the accumulation of revenue in the Reclamation Fund falls below \$45,000,000.

(c) All revenues collected under subsection (b) shall be paid into the Reclamation Fund. The costs of administration of the Reclamation Fund shall be paid from the revenues in the Reclamation Fund. All sums not needed for administration of the Reclamation Fund or making authorized payments out of the Fund shall be invested prudently in income-producing securities approved by the Secretary. Income from such securities shall be added to the principal of the Reclamation Fund.

(d) The revenues in the Reclamation Fund shall be available, at the recommendation of the Director of the Fish and Wildlife Service and with the approval of the Secretary, for the following purposes:

(1) To promptly compensate any person or entity, public or private, for any damages caused by oil and gas exploration, development and production activities on or in the vicinity of the coastal plain study area, including but not limited to the subsistence use rights of Alaska Natives;

(2) To reclaim, revegetate and restore any area of the coastal plain not properly reclaimed and restored by the operator or the holder of a lease or leases;

(3) Up to \$1 million annually to reclaim and restore any area of the Arctic National Wildlife Refuge or other North Slope Federal lands previously disturbed by development activities and not properly reclaimed and restored by the party conducting the development; and

(4) To reclaim, revegetate and restore at the conclusion of the period of exploration, development and production any area of the coastal plain and related lands which have not been properly reclaimed and restored by the operator or lease holder.

(e) The Reclamation Fund shall have legal recourse, through subrogation or otherwise, against any party or entity causing the damage, to recover any funds expended under section (d)(1), (2), (3) and (4) provided, that such right of recovery shall not be available against any Alaska Natives conducting traditional subsistence use activities.

(f) Any revenue remaining in the Reclamation Fund five years after the period of active oil and gas exploration, development, production and reclamation have been concluded in the coastal plain study area shall be returned to the original contributors on a pro rata basis.

SEC. 216. JOINT FEDERAL-STATE COORDINATION. (a) The Secretary shall serve as the Federal Coordinator of State/Federal interdisciplinary coordination. The Federal Coordinator shall:

(1) prior to the first lease sale, provide an opportunity to the State of Alaska to enter into a joint agreement with the Secretary for appropriate participation by the State in planning, research, stipulation development, design review, permitting, surveillance, monitoring, and enforcement;

(2) plan, conduct research, review designs, monitor, permit, and conduct enforcement to ensure compliance with applicable laws and the terms and conditions of any applicable certificate, rights-of-way, permit, leases, or other authorizations in a manner consistent with the joint State/Federal agreement; and

(3) maintain records documenting oil and gas activities and keep the President, Congress, and the Governor of the State of Alaska informed of activities undertaken to achieve the purposes of this Act.

(b) In the event that the Federal Coordinator and the State of Alaska are unable to develop a joint agreement under subsection (a)(1) within six months of the date of enactment of this Act, the Chairman of the Council on Environmental Quality shall serve as a mediator in connection with an effort to develop an acceptable joint agreement.

SEC. 217. LAND EXCHANGE PROHIBITION. Subsection 1302(h) of the Alaska National Interest Lands Conservation Act (16 U.S.C. Sec. 3192(h)) is amended by redesignating the subsection as paragraph "(h)(1)" and by adding the following new paragraph:

(2) Nothing in this Act or any other provision of law shall be construed as authorizing the Secretary to convey, by exchange or otherwise, lands or interest in lands within the Coastal Plain of the Arctic National Wildlife Refuge (other than land validly selected prior to July 28, 1987), without prior approval by Act of Congress.

### TITLE III DISTRIBUTION OF REVENUE

SEC. 301. AUTHORIZATION OF COASTAL PLAIN REVENUE FUND. All revenues received from competitive bids, sales, bonuses, royalties, rents, fees, interest or other income derived from the coastal plain competitive leasing program authorized by this Act, including the sale of sand and gravel, and from any such activities on the coastal plain study area authorized pursuant to subsequent acts of Congress, shall be paid into a special account in the Treasury of the United States which shall be designated as the "Coastal Plain Revenue Fund of the United States", hereinafter referred to as the "Coastal Plain Revenue Fund".

SEC. 302. DISPOSITION OF COASTAL PLAIN LEASING REVENUES. Revenues from the Coastal Plain Revenue Fund, together with interest thereon, shall be disposed of by the Secretary of the Treasury, on a quarterly basis, as follows:

(a) fifty (50) percent to be paid to the State of Alaska;

(b) two (2) percent, subject to the limitation contained in Section 414(c), to be paid into the Impact Aid Fund for distribution for local impact aid to the North Slope Borough, the Village of Kaktovik and other impacted Villages or communities as provided in Section 414;

(c) ten (10) percent to the Migratory Bird Conservation Fund (16 U.S.C. 718d) to be used by the Secretary for acquisition of private lands outside of Alaska having critical wildlife and

habitat values, for implementing the North American Waterfowl plan, and for improving access to and providing needed visitor facilities in Refuges in Alaska and the lower 48 States;

(d) ten (10) percent to be paid into the Land and Water Conservation Fund;

(e) five (5) percent to be paid into the Refuge Revenue Sharing Fund (Refuge Revenue Sharing Act, 16 U.S.C. 715s);

(f) five (5) percent to be used by the Secretary of Energy for funding private sector energy conservation and alternative energy research and demonstration projects authorized in Section 415;

(g) five (5) percent to be used by the Secretary to control erosion of wetlands which provide important habitat to migratory waterfowl;

(h) three (3) percent to the Fish and Wildlife Enhancement Trust Fund established pursuant to Section 306 of this Act; and

(i) ten (10) percent to be deposited in the General Fund of the Treasury.

SEC. 303. REDUCTION IN NATIONAL DEBT. Any revenues dedicated for Federal use by this Title in excess of one billion dollars derived in any fiscal year from the coastal plain competitive leasing program and paid into the Coastal Plain Revenue Fund shall be paid into the General Fund of the Treasury and shall be dedicated towards reducing the national debt.

SEC. 304. GENERAL AMENDMENTS TO THE MIGRATORY BIRD HUNTING STAMP ACT (16 U.S.C. 718d). Section 4 of the Act of March 16, 1934 (commonly known as the Migratory Bird Hunting Stamp Act, 16 U.S.C. 718d) is amended by inserting after the last sentence the following:

"(d) ACQUISITIONS WITH COASTAL PLAIN OIL AND GAS LEASING REVENUES. The Secretary shall segregate from all other monies within the Migratory Bird Conservation Fund those revenues and receipts attributable to oil and gas leasing and related activities, including the sale of sand or gravel, on the Coastal Plain of the Arctic Refuge. Revenues and receipts so segregated shall be available for the location, ascertainment and acquisition of suitable areas for national wildlife refuges for migratory birds and other species of fish and wildlife pursuant to the provisions of the Migratory Bird Conservation Act (16 U.S.C. 715s). All administrative acquisition costs incurred under this program shall be deducted from the revenues and receipts segregated under this subsection."

SEC. 305. GENERAL AMENDMENTS TO THE MIGRATORY BIRD CONSERVATION ACT. MIGRATORY BIRD CONSERVATION COMMISSION. Section 2 of the Migratory Bird Conservation Act (16 U.S.C. 715a) is amended by:

- (1) inserting "(a)" in front of the first sentence;
- (2) striking out "two" each place that it appears and inserting in lieu thereof "four";
- (3) inserting after the first sentence the following:  
"The commission is also authorized to consider and approve any acquisition recommendation made by the Secretary of the Interior which is pursuant to and in support of any provision of the North American Waterfowl Plan with Canada signed by the Secretary in May of 1986, or any subsequent amendments thereto, and which provides for appropriate public access and use and the preservation and conservation of such waterfowl habitat in perpetuity."; and

- (4) inserting after the last sentence the following:  
"(b) In addition to its authorities under subsection (a), the Commission is authorized to consider and pass upon recommendations by the Secretary of the Interior for the acquisition of land, water and interests therein out of those revenues and receipts generated from oil and gas leasing and related activities, including the sale of sand or gravel, on the Coastal Plain of the Arctic Refuge which were segregated in the Migratory Bird Conservation Fund pursuant to section 4 of the Act of March 16, 1934, (commonly known as the Migratory Bird Hunting Stamp Act, 16 U.S.C. 718d).

SEC. 306. FISH AND WILDLIFE ENHANCEMENT TRUST FUND.

(a) CREATION OF TRUST FUND. There is hereby established at the United States Treasury the Fish and Wildlife Enhancement Trust Fund. The Secretary of the Treasury shall serve as the Trustee for the Fish and Wildlife Enhancement Trust Fund and shall manage the Trust Fund on behalf of the Director in accordance with the provisions of this section.

(b) PURPOSE OF TRUST FUND. The purpose of the Fish and Wildlife Enhancement Trust Fund shall be to promote fish and wildlife conservation and enhancement by enabling the Director to fund projects and programs in the following areas:

- (1) fish and wildlife research with a special emphasis on shared migratory species between Alaska and Canada, the analysis of effects of development and pollution on the fish and wildlife populations of the North Slope of Alaska, and

the identification of measures to avoid, minimize, compensate, or otherwise mitigate any adverse effects from the development and pollution;

(2) State nongame programs under the grant-in-aid program under the Fish and Wildlife Conservation Act (16 U.S.C. 2901);

(3) funding proposals under the matching grant program of the National Fish and Wildlife Foundation;

(4) natural resource use conflict resolution, including the facilitation of endangered and threatened species habitat conservation planning pursuant to section 10(a)(2) of the Act of December 28, 1973 (commonly known as the Endangered Species Act, 16 U.S.C. 1539(a)(2)); and

(5) education and training programs and facilities regarding:

(A) fish and wildlife ecology;

(B) environmental pollution and its effects upon fish and wildlife populations and their habitat; and

(C) conservation education programs on individual units of the National Wildlife Refuge System.

(c) INITIAL PRINCIPAL OF TRUST FUND. An initial endowment shall be provided to the Fish and Wildlife Enhancement Trust Fund from revenues and receipts from oil and gas leasing and related activities, including the sale of sand or gravel, on the Coastal Plain of the Arctic Refuge pursuant to section 301 of this Act. No further revenues and receipts shall be placed in the Trust Fund pursuant to section 301 of this Act once the initial principal of the Trust Fund reaches 150 million dollars.

(d) INVESTMENT OF PRINCIPAL OF TRUST FUND. It shall be the duty of the Secretary of the Treasury to invest the principal of the Trust Fund in public debt securities with maturities suitable for the needs of such Fund and bearing interest at rates determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

(e) EXPENDITURE OF FUNDS. The Secretary of the Treasury shall not make funds available to the Director to expend until the principal of the Trust Fund has reached a minimum of 20 million dollars. The Director shall expend during each fiscal

year all available annual net income, and, if he deems it advisable, up to a maximum of two per centum of the principal of the Trust Fund. None of the principal of the Trust Fund may be expended until such time as the principal endowment reaches 150 million dollars and at no time may the expenditure of principal pursuant to the provisions of this subsection result in a remaining balance of principal of less than 120 million dollars. For purposes of this subsection, the term "annual net income" means all income from investment authorized under subsection (d) of this section. To provide for diversity in funding, the Director shall ensure that in any given fiscal year, no less than ten per centum and no more than thirty per centum of the funds available for distribution shall be allocated to any one of the five program or project areas set forth in subsection (b) of this section.

(f) ANNUAL REPORTS. The Director shall prepare an annual report summarizing the expenditures of the Trust Fund during the preceding 12-month period. Annual reports shall be submitted to the appropriate Committees of Congress.

#### TITLE IV MISCELLANEOUS PROVISIONS

SEC. 401. GENERAL ENFORCEMENT AMENDMENTS TO THE REFUGE ADMINISTRATION ACT AND THE REFUGE RECREATION ACT. (a) Section 4(e) of the Refuge Administration Act is amended by:

(1) striking out "\$500" where it appears and inserting in lieu thereof "\$5,000"; and

(2) striking out "six months" where it appears and inserting in lieu thereof "one year".

(b) Section 4 of the Act of September 28, 1962 (commonly known as the Refuge Recreation Act, 16 U.S.C. 460k-3) is amended by:

(1) striking out "\$500" where it appears and inserting in lieu thereof "\$5,000"; and

(2) striking out "six months" where it appears and inserting in lieu thereof "one year".

SEC. 402. MISCELLANEOUS PROPERTY INTERESTS WITHIN REFUGES. (a) IN GENERAL. Section 6 of the Migratory Bird Conservation Act (16 U.S.C. 715e) is amended:

(1) by inserting "(a)" before "The Secretary";

(2) by inserting ", or by the head of any other Federal department or agency for the Secretary," after "Secretary of Interior" the third place it appears therein;

(3) by inserting "either (1)" after "subordinate to and subject to";

(4) by striking out "or if deemed necessary" and all that follows thereafter and inserting the following: ", or (2) such rules and regulations as the Secretary of the Interior may from time to time prescribe."; and

(5) by adding at the end thereof the following: "(b) The rules and regulations set out in any deed or lease under subsection (a)(1) shall, at a minimum, address the same fish and wildlife conservation matters, and provide the same degree of resource and habitat protection, as are addressed and provided for at the time by general, regulations applicable to the access to, and development of, reserved non-Federal mineral interests in areas within the National Wildlife Refuge System".

(b) CONFORMING AMENDMENT. Section 4(d) of the Refuge Administration Act is amended by adding at the end thereof the following new paragraph:

"(3) The Secretary shall permit by regulation limited access to, and the development of, reserved non-Federal mineral interests within the National Wildlife Refuge System. Any such access and development shall be carried out only in accordance with a permit which contains such economically reasonable terms and conditions as deemed necessary:

"(A) to protect the fish and wildlife resources of, and their habitat in, the affected refuge from any significant adverse effects; and

"(B) to minimize, to the maximum extent possible, any adverse effects upon such resources and their habitat.

Notwithstanding any provision of this section, any term or condition imposed by the Secretary under this paragraph is in addition to any other requirement that is imposed under other applicable Federal or State law."

SEC. 403. GENERAL AMENDMENTS TO THE FISH AND WILDLIFE IMPROVEMENT ACT OF 1978. Section 3(h)(3) of The Fish and Wildlife Improvement Act of 1978 (16 U.S.C. 712(2)) is amended by inserting after the last sentence the following:

"(3) The Secretary, through the Director of the United States Fish and Wildlife Service and in cooperation with the Secretary of State, is authorized to take action as may be necessary to implement the provisions of the Convention on Wetlands of International Importance Especially as Waterfowl Habitat (RAMSAR) (11 I.L.M. 963). There are authorized to be appropriated not to exceed \$150,000 for each fiscal year through fiscal year 1997 to enable the Secretary to carry out such responsibilities and functions as may exist in implementing the RAMSAR Convention."

SEC. 404. MANAGEMENT PLANS ON NATIONAL WILDLIFE REFUGES. Section 4(c) of the Refuge Administration Act is amended by adding at the end thereof the following: "Nothing in 18 U.S.C. Section 47 shall preclude the use of aircraft and motor vehicles in implementation of approved management plans on national wildlife refuges."

SEC. 405. APPLICATION OF CRUDE OIL EXPORT PROHIBITIONS. Subject to the exception contained in section 7(d)(2) of the Export Administration Act of 1979, as amended (50 App. 2405(d)(2)), crude oil produced from lands in the coastal plain shall not be exported.

SEC. 406. TRAINING TO UPGRADE JOB SKILLS. (a) Secretary, with the assistance of the Secretary of Labor, at the request of the North Slope Borough government, is authorized and directed to assist the North Slope Borough government to establish a program for training and upgrading the job skills of the North Slope Inupiat Eskimo people and other Native groups including, but not limited to, the residents of Venetie and Arctic Village. The initial training programs shall focus on training people for:

(1) new and upgraded employment opportunities in the oil and gas and related service industries;

(2) providing the public and governmental services required in connection with oil and gas exploration, development and production;

(3) service in State or Federal agencies in connection with implementing the environmental standards and regulatory program required by this Act; and

(4) those trades which will be required in connection with the construction, operation, and maintenance of pipelines, pump stations and other facilities necessary for commercial production from the coastal plain.

(b) Each lease of land in the coastal plain shall contain a condition requiring the lessee to participate in the development and operation of those job training programs authorized by the Secretary.

(c) The cost of training programs authorized pursuant to this title shall be funded from revenues received under Section 302(b) and Section 414 of this Act.

SEC. 407. SADLEROCHIT SPRING SPECIAL MANAGEMENT AREA.

(a) The Sadlerochit Spring Special Area of approximately 4,000 acres in the coastal plain study area as depicted on a map on file in the Office of the Secretary shall be the subject of separate regulations issued by the Secretary for the purpose of providing appropriate protection to protect the unique character of this area.

(b) The Secretary is authorized to designate up to ten other areas of the coastal plain study area no larger than 2,560 acres as Special Management Areas if he determines that they are of unique character and interest and require special protection and cannot be adequately protected under the terms of existing law. The Secretary shall solicit public comment for a period of sixty days before designation and shall notify the jurisdictional committees of Congress of his intent to designate a Special Management Area ninety days in advance of promulgation of regulations for this purpose in the Federal Register.

(c) Leases may be issued and oil and gas produced from, but no exploratory or developmental surface activity may take place within Special Management Areas.

SEC. 408. ESTABLISHMENT OF UTOKOK NATIONAL WILDLIFE REFUGE.

(a) Effective on the date of the enactment of this Act, the area depicted as the "Utokok National Wildlife Refuge" on a map so identified dated October 20, 1987 and on file in the Office of the Secretary, is established as a wildlife refuge area of approximately 1.5 million acres. The Utokok National Wildlife Refuge shall be administered in accordance with the Refuge Administration Act and the purposes set forth in subsection (b) and (c).

(b) The purposes for which the Utokok National Wildlife Refuge is established and shall be managed include:

(1) to conserve fish and wildlife populations and habitats;

(2) to permit multiple use activities;

(3) to fulfill the international treaty obligations of the United States with respect to fish and wildlife and their natural habitats; and

(4) to provide continued opportunity for subsistence uses by local residents.

(c) The establishment of the Utokok National Wildlife Refuge shall not affect any valid existing rights in the area, including the rights of Native people under the Alaska Native Claims Settlement Act of 1971 and the Alaska National Interest Lands Conservation Act of 1980. This designation does not in any way alter or supercede the policy and the authority granted by the Congress in 1980 concerning oil and gas exploration and development of the lands contained within the National Petroleum Reserve-Alaska.

SEC. 409. EXPANSION OF THE ARCTIC NATIONAL WILDLIFE REFUGE. The Arctic National Wildlife Refuge is expanded by adding approximately 325,000 acres of lands located in the southeastern portion and identified on a map dated October 20, 1987, on file with the Fish and Wildlife Service.

SEC. 410. REMOVAL OF USE AND DEVELOPMENT RESTRICTIONS ON PRIVATE LANDS OWNED BY ARCTIC SLOPE REGIONAL CORPORATION AND KAKTOVIK INUPIAT CORPORATION. (a) The Secretary is authorized and directed to remove existing restrictions on the exploration, development, production and transportation of oil and gas on the approximately 92,160 acres of private lands owned by Arctic Slope Regional Corporation and Kaktovik Inupiat Corporation, located in and around the Village of Kaktovik within ANWR and within and adjacent to the coastal plain study area.

(b) The prohibitions and limitations contained in Section 1003 of the Alaska National Interest Lands Conservation Act, 94 Stat. 2452, 16 U.S.C. § 3145, insofar as they have application to the private lands referred to in subsection (a) are hereby repealed.

(c) Exploration, development and production of oil and gas from lands owned by the Arctic Slope Regional Corporation and Kaktovik Inupiat Corporation within or adjacent to the coastal plain shall be subject to the substantive standards and requirements of Section 207 of this Act and to the substantive standards and requirements of any regulations promulgated by the Secretary

thereunder; provided that the provisions of Paragraph B.3(c)-(m) of the Land Use Stipulations contained in Appendix 2 of the Agreement Between Arctic Slope Regional Corporation and the United States of America, dated August 9, 1983, shall apply to any plan of operation submitted by the Arctic Slope Regional Corporation, or its operator, to the Regional Director of the U.S. Fish and Wildlife Service; and, any exploration activities, including exploratory drilling, conducted by the Arctic Slope Regional Corporation, or its operator, shall be in accordance with the provisions of Paragraphs B.1 through B.5 of the Land Use Stipulations referred to herein.

(d) The Secretary is further authorized and directed to grant to the Arctic Slope Regional Corporation and Kaktovik Inupiat Corporation such rights-of-way and easements for pipelines and other purposes, use permits and all other authorizations required to enable them to appropriately use Federal lands and resources within the coastal plain study area and the Arctic National Wildlife Refuge which are necessary for the efficient and economic use, assessment, exploration, development, production and transportation of oil, gas and other minerals from their privately owned lands. The Secretary may use all authority granted under this and other provisions of this Act and the public land laws to achieve the purposes of this section and this Act.

(e) No surface disturbance in support of oil or gas development or production involving such subsurface property interests shall be authorized prior to publication of final regulations issued pursuant to this act which establish environmental stipulations, terms and conditions for oil and gas leasing on the Coastal Plain. The substantive provisions of such environmental stipulations, terms and conditions shall apply to the development of all subsurface property interests owned by the Inupiat Eskimo people within and adjacent to the coastal plain.

SEC. 411. REDESIGNATION OF BOUNDARIES. The exterior boundaries of the coastal plain study area and the Arctic National Wildlife Refuge are hereby redesignated to exclude the private lands owned by the Inupiat Eskimo people through their Regional and Village Corporations within and adjacent to the Village of Kaktovik.

SEC. 412. COMPETITION AND THE INDEPENDENT SECTOR OF THE OIL INDUSTRY. In the conduct of competitive lease sales under Title III, the Secretary shall seek to maximize through fair market value the amount of competitive bonus bid revenues to be paid into the Coastal Plain Revenue Fund established by Title III of this Act. The Secretary may, however, make reasonable efforts to conduct lease sales in a manner which will enable independent oil and gas producers, acting alone or jointly with other producers, to have a competitive opportunity to successfully bid on leases within the coastal plain study area.

SEC. 413. (a) JOINT ENVIRONMENTAL AND ECONOMIC STUDIES. The Secretary of State is authorized and encouraged to initiate discussions with the Canadian government to determine whether it would serve the environmental and economic interests of the

United States and Canada to explore the feasibility of engaging in mutual planning for the future development and transportation of the crude oil and natural gas resources previously discovered or projected to exist in the Arctic Region under the respective jurisdiction of each country, both on shore and offshore. The subject matter of such discussions may include, but is not limited to, the exchange of environmental, fish and wildlife, and oil and gas related information; joint planning; the development of joint facilities for transport of crude oil or natural gas; the development of contingency plans to deal with any anticipated or associated environmental risks or problems.

(b) The Secretary shall accord high priority to discussion on the safety and environmental risks associated with the proposal of private Canadian companies for the transport of crude oil in tankers from offshore discoveries in Canadian waters along the Arctic coast line of the State of Alaska to a point west of Barrow, Alaska for transshipment to larger tankers.

(c) Any joint transportation system project which would have as its objective the sole purpose of transporting natural gas, may be implemented under the Secretary's right of way and easement authority pursuant to Section 208 of this Act.

(d) No activities shall be carried out pursuant to this section which would in any way amend, modify or reduce existing Jones Act restrictions, or those contained in other cabotage laws.

SEC. 414. IMPACT AID FOR AFFECTED COMMUNITIES. (a) There is established in the Treasury of the United States an Impact Aid Assistance Fund (Impact Aid Fund) for local governments impacted by oil and gas leasing, exploration and development activities on the Coastal Plain. The Impact Aid Fund shall consist of:

(1) revenues paid into the Impact Aid Fund pursuant to Section 302(b); and

(2) revenues appropriated by the Congress to the Impact Aid Fund under subsection (d).

All sums deposited to the Fund under this subsection are hereby appropriated, shall be available on a revolving basis without fiscal year limitation, and shall be distributed by the Secretary of the Treasury as grants upon the certification of the Secretary of the Interior pursuant to subsection (b).

(b) The Secretary of the Interior shall administer a local impact aid program to provide necessary financial assistance to communities in Alaska affected by the potential and actual

exploration and development of the Coastal Plain. Assistance shall be provided on a priority basis to the North Slope Borough and affected communities for purposes of: (1) planning for mitigation of the potential effects of exploration and development on environmental, social, cultural, recreational, and subsistence values, and (2) planning, developing, and carrying out projects and programs that provide new or expanded public facilities and services, necessitated by the exploration for, and the development and production of, oil, gas, minerals and other materials from the Coastal Plain; and (3) implementing the provisions of Section 406(a). The Secretary shall certify grants from the Impact Aid Fund upon a finding by the North Slope Borough and any affected Village or Town, after giving notice to the Governor of Alaska, that the grant is required to carry out the purposes of this section.

(c) No more than \$20 million of grants may be certified by the Secretary under subsection (b) for payment from the Impact Aid Fund in any calendar year.

(d) There are hereby authorized to be appropriated to the Impact Aid Fund such funds as are necessary for advance planning and providing essential public services. All advance funds appropriated by the Congress under this subsection shall be reimbursed to the General Fund of the Treasury from revenues subsequently paid into the Impact Aid Fund pursuant to Section 302(b).

SEC. 415. (a) ENERGY CONSERVATION AND ALTERNATIVE ENERGY RESEARCH AND DEMONSTRATION PROGRAMS. The Secretary of Energy is authorized and directed to establish an energy research and demonstration grant program to promote and advance research, technology, and commercialization in the areas of energy conservation and alternative energy. The energy research and demonstration grant program shall be funded out of revenues received under Section 302(f).

(b) The energy research and demonstration grant program authorized by this section shall have as its major purpose the development of energy conservation and alternative energy technologies which have the capacity to significantly reduce the nation's growing reliance on imported oil.

THE PRECEDING PAGES WERE TREATED AS  
A UNIT IN THE ORIGINAL FILE.

THE FOLLOWING PAGES WERE TREATED AS  
A UNIT IN THE ORIGINAL FILE.

*Wirth* *Ed me*  
*AAA*  
*WAA*

Amendment in the Nature of a Substitute  
To be offered by Senators Wirth, Evans and Bumpers

Strike out all after the enacting clause and insert the following:

Sec. 1. Short Title.

This Act may be cited as the Arctic National Wildlife Refuge Energy Plan.

Sec. 2. Findings and Purposes.

(a) Congress finds that -

(1) Section 1002 of the Alaska National Interest Lands Conservation Act directed the Secretary of the Interior to prepare a report to Congress on the Coastal Plain of the Arctic National Wildlife Refuge which: describes the fish and wildlife resources of the Coastal plain; identifies and estimates the volume and areal extent of potential hydrocarbon resources; evaluates the adverse environmental effects of oil and gas

development; discusses transportation of oil and gas; evaluates how such oil and gas relates to the national need for additional domestic sources of oil and gas; and recommends whether further exploration, development, and production of oil and gas should be allowed.

(2) The Secretary of the Interior has submitted to Congress the 1002 report which includes an assessment of conditional economically recoverable oil resources in the Coastal Plain and has recommended that Congress enact an oil and gas leasing program for the Coastal Plain.

(3) The Secretary's evaluation of the relationship of the resources of the Coastal Plain to the national need for domestic sources of oil and gas does not provide adequate energy policy information to Congress.

(4) Additional information regarding national energy policy objectives, the contribution of potential Coastal Plain oil and gas resources to national energy policy objectives, and the alternatives for achieving those objectives, is required before a decision can be made on an oil and gas leasing program for the Coastal Plain.

(b) The purpose of this Act is to ensure that the Congress, prior to approving any recommendation of the Secretary

concerning the Coastal Plain's resources, receives a comprehensive long term plan that:

(1) includes information on the cost and relative value of exploration and development of such resources compared to energy alternatives; and

(2) incorporates the energy policy goals of increasing efficiency and conservation of nonrenewable resources such as petroleum; creating the least damage to unique environments and ecosystems; and promoting the diversification of domestic supplies of energy resources in order to reduce vulnerability to a supply disruption of any particular resource.

### Sec. 3. Definitions.

For purposes of this Act -

(1) The term "Coastal Plain" means those public lands identified in section 1002(b)(1) of the Alaska National Interest Lands Conservation Act of 1980 (P.L. 96-487).

(2) The term "Secretary" means the Secretary of the Interior in consultation with the Secretary of Energy.

(3) The term "1002 Report" means the report required under section 1002(h) of the Alaska National Interest Lands Conservation Act of 1980 (P.L. 96-485).

(4) The term "least cost" means the most cost-effective alternative to meet a range of expected demand for energy over a period of time determined by (a) estimating a range of demands , and (b) ranking the potential alternatives using a cost-effective standard that includes all environmental costs and is carried out on a consistent basis.

#### Sec. 4. Energy Plan

(a) Not earlier than two years and not later than three years after enactment of this Act, the Secretary shall prepare and transmit to the Congress an energy plan which shall include a statement of national energy policy objectives. The plan shall focus on the demand for petroleum and its derivative products over an estimated period of potential production from the Coastal Plain and shall include a range of likely scenarios for petroleum demand and a description of a resource portfolio to meet such demand. The information in the plan shall include, but not be limited to:

(1) an estimate of the nation's demand for petroleum in each sector of the economy - transportation, industrial, residential/commercial, and utility;

(2) an estimate of the supply of petroleum from domestic sources.

(3) a separate estimate of the supply of petroleum from the Arctic region of Alaska, derived from the study required under Sec. 5 of this Act, including an estimate of the costs of exploration, development, mitigation and reclamation;

(4) an estimate of the potential recoverable petroleum resource in the Coastal Plain, utilizing the geologic information gathered for the 1002 report and current economic and oil price assumptions, including an estimate of the costs of exploration, development, mitigation, and reclamation;

(5) an identification of alternative fuels that are or may be available to substitute for all or part of the estimated demand for petroleum;

(6) an identification of technologies and programs for increasing energy efficiency to reduce the demand for petroleum.

(b) Based upon the information in subsection (a), the Secretary shall develop a range of demand scenarios. The Secretary shall identify and evaluate all potential alternatives to meet the range of demand scenarios on a consistent basis. The alternatives shall include but shall not be limited to:

(1) increased efficiency in the use of petroleum through higher fuel efficiency standards;

(2) use of substitutes for petroleum in the transportation sector such as methanol, ethanol, natural gas, and hydrogen; and

(3) petroleum from the Coastal Plain, including the costs of exploration, development, mitigation and reclamation.

(c) The energy plan shall include a ranking of all potential alternatives to exploration and development of the Coastal Plain. The Secretary shall identify the least costly alternative or alternatives, and shall provide recommendations for implementing such alternative or alternatives. Such recommendations shall include any changes in existing laws or regulations or new statutory authority necessary to carry out the plan, as well as changes in energy research and development priorities and funding. In developing his recommendations, the Secretary shall give priority to measures which: (1) provide the least-cost alternative; (2) increase the efficient use of non-renewable resources such as petroleum; (3) have the least

potential impact on the environment; and (4) enhance the diversification of the domestic energy supply base.

Sec. 5. Oil and Gas Potential Development in the Arctic Regions of Alaska.

(a) The Secretary, in preparing the least cost energy plan required under section 4 of this Act, shall also prepare a study of present and future oil and gas development in the Arctic regions of Alaska, both onshore and offshore, excluding the Arctic National Wildlife Refuge.

(b) The study shall include an identification of those areas where (1) exploration has occurred, (2) those areas where exploration is projected to occur in the future, and (3) those areas where exploration has demonstrated the presence of oil or gas, regardless of whether commercially recoverable quantities of oil or gas were demonstrated.

(c) The study shall include the quantities of oil or gas that are or may be recoverable under a range of economic conditions.

(d) The study shall include an examination of the infrastructure needed to develop the oil and gas resources, under a range of development scenarios.

SEC. 6. Coastal Plain of the Arctic National Wildlife Refuge.

The plan and study required by this Act shall be accompanied by the 1002 report, with amendments and revisions to such report as the Secretary deems appropriate. The 1002 report shall include a recommendation for legislative action concerning the future management of the Coastal Plain. Exploration for or production of oil or gas from any lands within the Coastal Plain is prohibited and no leasing or other development leading to production of oil or gas from the Coastal Plain shall be undertaken, and no land exchanges executed or implemented, until authorized by Act of Congress.

February 1, 1988

SUMMARY OF JOINT STAFF ANWR DRAFT

- o Competitive Leasing Program--Authorizes competitive oil and gas leasing program.
- o Standard for Environmental Protection--Requires activities to be undertaken so as to result in "no significant adverse effect on fish and wildlife, their habitat, and the environment" of the Coastal Plain and application of "best commercially available technology" for oil and gas exploration, development, and production, on all new operations, and whenever practicable, on existing operations.
- o NEPA--No challenges to the initial regulations for the leasing program may be made under NEPA. NEPA will apply to all phases of leasing, exploration, development, production, and related activities.
- o Lease Sales--DOI will receive nominations for leasing anywhere on the Coastal Plain. After public notice and comment, DOI can lease no more than 20 per cent of the Coastal Plain acreage in any one lease sale. The initial lease sale must be held within 18 months of issuance of final regulations. The second lease sale is to be held 36 months thereafter, with additional sales every 24 months thereafter so long as sufficient interest exists.
- o Exclusion of Environmentally-Sensitive Areas--Secretary may exclude from leasing areas deemed to be of particular environmental sensitivity.
- o Lease Terms--
  - Royalty - not less than 12-1/2 percent.
  - Tract size - not greater than 2560 acres.
  - Term - initial 10-year term and so long thereafter as oil and gas is produced in paying quantities or drilling or well reworking activities are carried out.
- o Exploration and Development and Production Plans--Public notice and comment required prior to plan approval.
- o Bonding Requirements--Secretarial discretion to set bond amount. Additional bond for emergencies required in the

amount of \$500,000 for geophysical surveys, \$1 million for all exploration activities and \$1.5 million for all development and production.

- o Lease Suspension--Secretary may suspend operations and production: (1) in the interest of conservation of the resource; (2) where there is no transportation system for the resource; or (3) where there is threat of significant adverse effects to the environment.
- o Lease Cancellation--Cancellation for failure to comply with Act or lease terms. Cancellation with compensation where activity likely to result in significant adverse effects to fish or wildlife, their habitat, or the environment.
- o Unitization--Required to the greatest extent practicable.
- o Information--Imposes requirements relating to confidentiality.
- o Remedies and Penalties
  - Civil Penalties - \$10,000 per day;
  - Criminal Penalties - for knowing and willful violation not more than \$100,000 fine or 10 years imprisonment, or both.
- o Removal Costs and Liability--Secretary may clean up pollution from discharges of oil or hazardous or toxic substances at the expense of a "responsible party". Responsible party is jointly, severally and strictly liable for removal costs.
- o Expedited Judicial Review--Challenges to regulations are heard initially in the Court of Appeals for the District of Columbia. Complaints seeking review of any other actions by the Secretary are heard by the appropriate district court. All complaints must be filed within 90 days of the challenged action, or after 90 days if the complaint is based solely on grounds arising after the 90th day.
- o Environmental Requirements
  - Standard--"No significant adverse effect" standard to govern authorized Coastal Plain activities.
  - Assessment and mitigation--Site-specific assessment and mitigation plan required.
  - Regulations--Regulations to protect the Coastal Plain's fish and wildlife resources, subsistence users and the environment, including:

- Minimum requirements-as a minimum, the safety and environmental mitigation measures set forth in the "Final Legislative Environment Impact Statement" (April 1987) on the Coastal Plain;
- Seasonal limitations-seasonal limitations to avoid significant adverse effects on fish and wildlife;
- Exploration-exploration activities must generally be limited to the period November 1 to May 1 and be supported by ice roads, ice air strips, winter trails, etc.;
- Design-design safety and construction standards;
- Public access-prohibitions on public access and use on all pipeline access and service roads;
- Reclamation-stringent reclamation and rehabilitation requirements, requiring removal of all facilities, structures and equipment;
- Sand and gravel-restriction on sand and gravel extraction;
- Access-access restrictions;
- Consolidation-consolidation of facility siting;
- Explosives-restrictions on use of explosives;
- Springs, streams, and rivers-avoidance, to the extent practicable, of springs, streams and river systems;
- Air traffic-avoidance of reduction of air traffic-related disturbance to fish and wildlife;
- Wastes-treatment of toxic and hazardous wastes, drilling muds and cuttings and domestic wastewater in accordance with applicable State and Federal law;
- Contingency planning-fuel storage and oil spill contingency planning;
- Research and monitoring-research, monitoring and reporting requirements;
- Briefings-field crew environmental briefings;
- Subsistence uses-avoidance of significant adverse effects upon subsistence hunting, fishing and trapping;

- Air and water-compliance with air and water quality standards;
- Zone designations relating to subsistence uses-seasonal and safety zone designations within which subsistence hunting and trapping would be limited; and
- Cultural resources-protection for cultural resources.
- Consideration of the following in preparing lease terms and regulations:
  - environmental protection standards governing the initial Coastal Plain seismic exploration program;
  - the land use stipulations for exploratory drilling on the KIC-ASRC private lands; and
  - operational stipulations for Koniag ANWR Interest lands contained in draft land exchange agreement.
- o Sadlerochit Spring Special Area--Management to avoid adverse effects. No surface occupancy allowed.
  - Secretary authorized to designate other sensitive areas as "Special Areas".
- o Facility Consolidation Planning--Plan preparation required.
- o Environmental Studies--After exploration or development, Secretary shall conduct such additional studies as he deems necessary to monitor effects on fish and wildlife and their habitat.
- o Onsite Inspection of Facilities--Required.
- o Reclamation--Reclamation required to a "condition as closely approximating the original condition of such lands as is feasible using the best commercially-available technology."
- o Reclamation Fund--Reclamation Fund of up to \$50 million to be administered by TAPS operator. Producers to pay 5¢ per barrel for reclamation of Coastal Plain, other North Slope Federal lands and related lands. United States can recover funds from "responsible party".
- o Disposition of Revenues--Contains provisions similar to those included in S. 735. Oil and gas leasing revenues from ANWR are to be distributed as follows:
  - 50% to the State of Alaska;

- 25% to the Land and Water Conservation Fund;
- 20% to miscellaneous receipts in the Treasury; and
- 5% to the Migratory Bird Conservation Fund.

Under existing law, 90% of such revenues would go to the State of Alaska and 10% to the federal Treasury.

- o Prohibition on Land Exchanges--Amends ANILCA to prohibit land exchanges in ANWR unless specifically authorized by an act of Congress.

100th CONGRESS  
2nd Session

S. \_\_\_\_\_

JOINT STAFF DRAFT  
COMMITTEE ON ENERGY  
AND NATURAL RESOURCES  
UNITED STATES SENATE

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A BILL

To authorize competitive oil and gas leasing and development on the Coastal Plain of the Arctic National Wildlife Refuge in a manner consistent with protection of the environment, and for other purposes.

1 BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF  
2 THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED, That this Act  
3 may be cited as the "Arctic Coastal Plain Competitive Oil and Gas  
4 Leasing Act".

5 TITLE I

6 STATEMENT OF PURPOSE AND DEFINITIONS

7 Sec. 101. PURPOSE AND POLICY. The Congress hereby declares  
8 that it is the purpose and policy of this Act:  
9 (a) to authorize competitive oil and gas leasing and  
10 development to proceed on the Coastal Plain in a manner  
11 consistent with protection of the environment, maintenance of  
12 fish and wildlife and their habitat, and the interests of the  
13 area's subsistence users; and

1 (b) to provide a new source of funding for acquisition of  
2 critical wildlife habitat, for the Land and Water Conservation  
3 Fund, and for other purposes.

4 Sec. 102. DEFINITIONS. When used in this Act--

5 (a) The term "Coastal Plain" means that area identified as  
6 such in the map entitled "Arctic National Wildlife Refuge", dated  
7 August 1980, as referenced in section 1002(b) of the Alaska  
8 National Interest Lands Conservation Act of 1980 (16 U.S.C. Sec.  
9 3142(b)(1)) comprising approximately one million five hundred  
10 forty-nine thousand acres; and

11 (b) The term "Secretary" means the Secretary of the Interior  
12 or the Secretary's designee.

13 TITLE II. MANAGEMENT OF COASTAL PLAIN

14 Sec. 201. CONGRESSIONAL POLICY ON COASTAL PLAIN. Enactment  
15 of this Act by the Congress establishes the policy that oil and  
16 gas activities authorized and conducted on the Coastal Plain  
17 pursuant to this Act so as to result in no significant adverse  
18 effect on fish and wildlife, their habitat, and the environment,  
19 shall be deemed to be compatible with the major purposes for  
20 which the Arctic National Wildlife Refuge was established and no  
21 further findings or determinations of compatibility by the  
22 Secretary under the National Wildlife Refuge System  
23 Administration Act are required to implement this Congressional  
24 policy.

25 TITLE III. COASTAL PLAIN COMPETITIVE LEASING PROGRAM

26 Sec. 301. LEASING PROGRAM FOR LANDS WITHIN THE COASTAL  
27 PLAIN. (a) The Congress hereby authorizes and directs the

1 Secretary of the Interior and other appropriate Federal officers  
2 and agencies to take such actions as are necessary to establish  
3 and implement a competitive oil and gas leasing program that will  
4 result in an environmentally sound program for the exploration,  
5 development, and production of the oil and gas resources of the  
6 Coastal Plain. Activities pursuant to such program shall be  
7 undertaken:

8 (1) in accordance with the standards for protection of the  
9 environment as required by Title IV of this Act; and

10 (2) in a manner to ensure the receipt of fair market value  
11 by the public for the mineral resources to be leased.

12 (b) This Act shall be the sole authority for leasing on the  
13 Coastal Plain.

14 Sec. 302. RULES AND REGULATIONS. (a) The Secretary shall  
15 prescribe such rules and regulations as may be necessary to carry  
16 out the purposes and provisions of this Act, including rules and  
17 regulations relating to protection of the environment of the  
18 Coastal Plain, as required by Title IV of this Act. Such rules  
19 and regulations shall, as of their effective date, apply to all  
20 operations conducted under a lease issued or maintained under the  
21 provisions of this Act.

22 (b) In the formulation and promulgation of rules and  
23 regulations under this Act, the Secretary shall request and give  
24 due consideration to the views of appropriate officials of the  
25 State of Alaska and the Government of Canada. The Secretary  
26 shall also consult with the Environmental Protection Agency and

1 the Army Corps of Engineers in developing rules and regulations  
2 relating to the environment.

3 (c) The Secretary shall periodically review and, if  
4 appropriate, revise the rules and regulations issued under  
5 subsection (a) of this section to reflect any significant  
6 biological, environmental, or engineering data which come to the  
7 Secretary's attention.

8 Sec. 303. ADEQUACY OF DEPARTMENT OF THE INTERIOR'S  
9 LEGISLATIVE ENVIRONMENTAL IMPACT STATEMENT. (a) The "Final  
10 Legislative Environmental Impact Statement" (April 1987) on the  
11 Coastal Plain prepared pursuant to section 1002 of the Alaska  
12 National Interest Lands Conservation Act of 1980 (16 U.S.C. Sec.  
13 3142), and section 102(2)(C) of the National Environmental Policy  
14 Act of 1969 (42 U.S.C. Sec. 4332(2)(C)), is hereby found by the  
15 Congress to be adequate to satisfy the legal requirements under  
16 the National Environmental Policy Act of 1969 with respect to  
17 actions authorized to be taken by the Secretary to develop and  
18 promulgate the regulations for the establishment of a leasing  
19 program authorized by this Act prior to conducting the first  
20 lease sale.

21 (b) Except as provided in subsection (a) of this section,  
22 nothing in this Act shall be considered or construed as otherwise  
23 limiting or affecting in any way the applicability of section  
24 102(2)(C) of the National Environmental Policy Act of 1969 to all  
25 phases of oil and gas leasing, exploration, development and  
26 production and related activities conducted under or associated  
27 with the leasing program authorized by this Act, nor shall

1 anything in this Act be considered or construed as in any way  
2 limiting or affecting the applicability of any other Federal or  
3 state law relating to the protection of the environment.

4       Sec. 304. LEASE SALES. (a) Lands may be leased pursuant to  
5 the provisions of this Act to any person qualified to obtain a  
6 lease for deposits of oil and gas under the Mineral Leasing Act,  
7 as amended (30 U.S.C. Sec. 181).

8       (b) The Secretary shall, by regulation, establish procedures  
9 for--

10       (1) receipt and consideration of sealed nominations for any  
11 area in the Coastal Plain for inclusion in, or exclusion from, a  
12 lease sale;

13       (2) public notice of and comment on designation of areas to  
14 be included in, or excluded from, a lease sale;

15       (3) review by the State of Alaska and local governments in  
16 Alaska which may be impacted by the proposed leasing; and

17       (4) periodic consultation with the State of Alaska and local  
18 governments in Alaska, oil and gas lessees, and representatives  
19 of other individuals or organizations engaged in activity in or  
20 on the Coastal Plain including those involved in subsistence uses  
21 and recreational activities.

22       (c) The Secretary shall, by regulation, provide for lease  
23 sales of lands on the Coastal Plain. When lease sales are to be  
24 held, they shall occur after the nomination process provided for  
25 in subsection (b) of this section. Acreage receiving one or more  
26 nominations shall be offered, consistent with the requirements  
27 set forth in Title IV of this Act, in the first lease sale, but

1 in no event shall more than twenty per centum of the acreage of  
2 the Coastal Plain be leased in such sale. Thereafter, no more  
3 than twenty per centum of the acreage of the Coastal Plain may be  
4 leased in any one lease sale. The initial lease sale shall be  
5 held within eighteen months of the issuance of final regulations  
6 by the Secretary. The second lease sale shall be held thirty-six  
7 months after the initial sale, with additional sales conducted  
8 every twenty-four months thereafter so long as sufficient  
9 interest in development exists to warrant, in the Secretary's  
10 judgment, the conduct of such sales.

11 (d) Areas of the Coastal Plain deemed by the Secretary to be  
12 of particular environmental sensitivity may be excluded from  
13 leasing by the Secretary. The Secretary shall notify the  
14 Committee on Energy and Natural Resources of the United States  
15 Senate and the Committee on Interior and Insular Affairs of the  
16 United States House of Representatives ninety days in advance of  
17 excluding any such areas from leasing. If the Secretary later  
18 determines that exploration, development, or production will  
19 result in no significant adverse effect on fish and wildlife,  
20 their habitat, and the environment, the Secretary shall,  
21 consistent with the provisions of subsection (c) of this section,  
22 offer such lands for leasing.

23 Sec. 305. GRANT OF LEASES BY THE SECRETARY. (a) The  
24 Secretary is authorized to grant to the highest responsible  
25 qualified bidder by sealed competitive bid any lands to be leased  
26 on the Coastal Plain upon payment by the lessee of such bonus as  
27 may be accepted by the Secretary and of such royalty as may be

1 fixed in the lease, which shall be not less than twelve and one-  
2 half per centum in amount or value of the production removed or  
3 sold from the lease.

4 (b) The Secretary shall not accept a bid for a lease if the  
5 Secretary finds, after notice and hearing, that the bidder is not  
6 meeting diligent development requirements on any other Federal  
7 mineral lease.

8 Sec. 306. LEASE TERMS AND CONDITIONS. An oil and gas lease  
9 issued pursuant to this section shall--

10 (a) be for a tract consisting of a compact area not to  
11 exceed two thousand five hundred sixty acres;

12 (b) be for an initial period of ten years and as long  
13 thereafter as oil or gas is produced in paying quantities or  
14 drilling or well reworking operations as approved by the  
15 Secretary are operated thereon;

16 (c) require the payment of royalty as provided for in  
17 section 305 of this Act;

18 (d) require approval of an exploration plan, as provided for  
19 in section 307 of this Act;

20 (e) require approval of a development and production plan as  
21 required in section 307 of this Act;

22 (f) require posting of bond required by section 308 of this  
23 Act;

24 (g) provide for the suspension of the lease during the  
25 initial lease term or thereafter pursuant to section 309 of this  
26 Act;

1 (h) provide for the cancellation of the lease during the  
2 initial lease term or thereafter pursuant to section 310 of this  
3 Act;

4 (i) contain the terms and conditions relating to protection  
5 of fish and wildlife, their habitat, and the environment, as  
6 required by Title IV of this Act; and

7 (j) contain such rental and other provisions as the  
8 Secretary may prescribe at the time of offering the area for  
9 lease.

10 Sec. 307. EXPLORATION AND DEVELOPMENT AND PRODUCTION PLANS.

11 (a) EXPLORATION PLANS. All exploration activities pursuant to  
12 any lease issued or maintained under this Act shall be conducted  
13 in accordance with an approved exploration plan or an approved  
14 revision of such plan. Prior to commencing exploration pursuant  
15 to any oil and gas lease issued or maintained under this Act, the  
16 holder thereof shall submit an exploration plan to the Secretary  
17 for approval. Such plan may apply to more than one lease held by  
18 a lessee in any region of the Coastal Plain, or by a group of  
19 lessees acting under a unitization, pooling, or drilling  
20 agreement, and shall be approved by the Secretary if he finds  
21 that such plan is consistent with the provisions of this Act and  
22 other applicable law.

23 (b) OIL AND GAS DEVELOPMENT AND PRODUCTION PLANS. All  
24 development and production pursuant to a lease issued or  
25 maintained pursuant to this Act shall be conducted in accordance  
26 with an approved development and production plan. Prior to  
27 commencing development or production pursuant to any oil and gas

1 lease issued or maintained under this Act, the holder thereof  
2 shall submit a development and production plan to the Secretary  
3 for approval. Such plan may apply to more than one lease held by  
4 a lessee in any region of the Coastal Plain, or by a group of  
5 lessees acting under a unitization, pooling, or drilling  
6 agreement, and shall be approved by the Secretary if he finds  
7 that such plan is consistent with the provisions of this Act and  
8 other applicable law.

9 (c) REQUIREMENTS APPLICABLE TO EXPLORATION PLANS AND  
10 DEVELOPMENT AND PRODUCTION PLANS. Exploration plans and  
11 development and production plans shall include where applicable--

12 (1) the names and legal addresses of the following persons:  
13 the operator, contractors, subcontractors and the owners or  
14 lessees other than the operator;

15 (2) a map or maps showing: (A) the location of a point of  
16 reference selected by the operator within the area covered by the  
17 plan of operations showing, in relation to that point, existing  
18 and proposed access routes or roads within the area, the  
19 boundaries of proposed surface disturbance and location of all  
20 survey lines; (B) the location of proposed drilling sites,  
21 wellsite layout, and all surface facilities; (C) sources of  
22 construction materials within the area including but not limited  
23 to gravel; and (D) the location of ancillary facilities including  
24 but not limited to camps, sanitary facilities, water supply,  
25 disposal facilities, pipelines, fuel storage facilities, storage  
26 facilities, base of operations, and airstrips. A point of

1 reference selected by the operator within the area of operations  
2 shall be marked with a ground monument;

3 (3) a description of: (A) all surface and ancillary  
4 facilities, including but not limited to camps, sanitary  
5 facilities, water supply, disposal facilities, pipelines, fuel  
6 storage facilities, storage facilities, base of operations, and  
7 airstrips; and (B) the major equipment to be used in the  
8 operations, including but not limited to equipment and methods  
9 for the transport of all waters used in or produced by  
10 operations, and of the proposed method of transporting such  
11 equipment within the area covered by the plan of operations  
12 including to and from the site;

13 (4) an estimated schedule for any phase of operations of  
14 which review by the Secretary is sought and the anticipated date  
15 of operation completion;

16 (5) the nature and extent of proposed operations;

17 (6) plans for reclamation, including:

18 (A) the anticipated reclamation work to be performed;

19 (B) a proposed schedule of reclamation activities to be  
20 performed; and

21 (C) a detailed estimate of reclamation costs;

22 (7) methods for disposal of all wastes and hazardous and  
23 toxic substances;

24 (8) an affidavit stating that the operations planned will be  
25 in compliance with all applicable Federal, State, and local laws  
26 and regulations;

1 (9) contingency plans in case of spills, leaks, or other  
2 accidents; and

3 (10) such additional information as may be required by the  
4 Secretary to ensure that the proposed activities are consistent  
5 with this Act, as well as other applicable Federal and State  
6 environmental laws.

7 (d) PROCEDURES FOR PLAN APPROVAL. (1) After an exploration  
8 or development and production plan is submitted for approval, the  
9 Secretary shall promptly publish notice of the submission and  
10 availability of the text of the proposed plan in the Federal  
11 Register and a newspaper of general circulation in the State of  
12 Alaska and provide an opportunity for written public comment.

13 (2) Within one hundred twenty days after receiving an  
14 exploration or development and production plan, the Secretary  
15 shall determine, after taking into account any comment received  
16 under paragraph (1) of this subsection, whether the activities  
17 proposed in the plan are consistent with this Act and other  
18 applicable provisions of Federal and State law. If that  
19 determination is in the affirmative, the Secretary shall return  
20 the plan along with a statement of any modifications necessary  
21 for its approval. The Secretary, as a condition of approving any  
22 plan under this section--

23 (A) may require modifications to the plan that he considers  
24 necessary or appropriate to make it consistent with this Act and  
25 other applicable law. The Secretary shall assess reasonable fees  
26 or charges for the reimbursement of all necessary and reasonable  
27 research, administrative, monitoring, enforcement, and reporting

1 costs associated with reviewing the plan and monitoring its  
2 implementation; and

3 (B) shall require such periodic reports regarding the  
4 carrying out of the drilling and related activities as may be  
5 necessary or appropriate for purposes of determining the extent  
6 to which the plan is being complied with and the effectiveness of  
7 the plan in ensuring that the drilling and related activities are  
8 consistent with this Act and other applicable provisions of  
9 Federal and State law.

10 (e) MODIFICATION OF PLANS. If at any time while activities  
11 are being carried out under a plan approved under this section,  
12 the Secretary, on the basis of available information, determines  
13 that the continuation of any particular activity under the plan  
14 is likely to result in a significant adverse effect on fish or  
15 wildlife, their habitat, or the environment, the Secretary, after  
16 consultation with the lessee shall--

17 (1) make modifications to part or all of the plan as  
18 necessary or appropriate to avoid the significant adverse effect;

19 (2) temporarily suspend part or all of the drilling or  
20 related activity under the plan for such time as the Secretary  
21 considers necessary or appropriate to avoid such significant  
22 adverse effect; or

23 (3) terminate and cancel the plan where actions under  
24 subparagraphs (1) or (2) will not avoid the significant adverse  
25 effect.

26 Sec. 308. BONDING REQUIREMENTS.

1           (a) REQUIREMENT FOR PERFORMANCE BOND. After approval of an  
2 exploration or development and production plan, the lessee shall  
3 be required to file with the Secretary a suitable performance  
4 bond. The bond shall be conditioned upon compliance with all the  
5 terms and conditions of the lease and all applicable laws. Such  
6 performance bond is in addition to and not in lieu of any bond or  
7 security deposit required by other regulatory authorities. The  
8 lessee may file either a surety bond, or a personal bond  
9 consisting of cash or negotiable Treasury bonds of the United  
10 States. When negotiable Treasury bonds serve as the personal  
11 bond, they shall be accompanied by a proper conveyance to the  
12 Secretary of full authority to sell such securities in case of a  
13 default in the performance of the terms and conditions of the  
14 lease.

15           (b) AMOUNT OF PERFORMANCE BOND. The performance bond shall  
16 be in an amount:

17           (1) to be determined by the Secretary to provide for  
18 reclamation of the lease site in accordance with an approved or  
19 revised exploration or development and production plan; plus

20           (2) an amount set by the Secretary consistent with the type  
21 of operations proposed, to provide the means for rapid and  
22 effective cleanup, and to minimize damages resulting from an oil  
23 spill, the escape of gas, refuse, domestic wastewater, hazardous  
24 or toxic substances, or fire caused by oil and gas activities.  
25 This amount shall not exceed \$500,000.00 for geophysical surveys,  
26 and shall not exceed a blanket bond of \$1,000,000.00 for all

1 exploration activities and an additional \$1,500,000.00 for a  
2 development and production activities on the Coastal Plain.

3 (c) ADJUSTMENT OF BOND TO CONFORM TO REVISED PLAN. In the  
4 event that an approved exploration or development and production  
5 plan is revised, the Secretary may adjust the amount of the bond  
6 to conform to such modified plan.

7 (d) DURATION OF BOND. The responsibility and liability of  
8 the lessee and its surety under the bond or security deposit  
9 shall continue until such time as the Secretary determines that  
10 there has been compliance with the terms and conditions of the  
11 lease and all applicable laws.

12 (e) TERMINATION OF LIABILITY. Within sixty days after  
13 determining that there has been compliance with the terms and  
14 conditions of the lease and all applicable laws, the Secretary  
15 shall notify the lessee that the period of liability under the  
16 bond or security deposit has been terminated.

17 Sec. 309. LEASE SUSPENSION. The Secretary may direct or  
18 assent to the suspension of operations and production under any  
19 lease granted under the terms of this Act: (1) in the interest  
20 of conservation of the resource; (2) where there is no available  
21 system to transport the resource; or (3) where there is a threat  
22 of significant adverse effect upon fish or wildlife, their  
23 habitat or the environment. If such a suspension is directed or  
24 assented to by the Secretary, any payment of rental prescribed by  
25 such lease shall be suspended during such period of suspension of  
26 operations and production, and the term of the lease shall be  
27 extended by adding any such suspension period thereto.

1           Sec. 310. LEASE CANCELLATION. (a) CANCELLATION OF  
2 NONPRODUCING LEASE. Whenever the owner of a nonproducing lease  
3 fails to comply with any of the provisions of this Act, or of any  
4 applicable provision of federal or state environmental law, or of  
5 the lease, or of any regulation issued under this Act, such lease  
6 may be cancelled by the Secretary if such default continues for  
7 the period of thirty days after mailing of notice by registered  
8 letter to the lease owner at the lease owner's record post office  
9 address.

10           (b) CANCELLATION OF PRODUCING LEASE. Whenever the owner of  
11 any producing lease fails to comply with any of the provisions of  
12 this Act, of the lease, or of the regulations issued under this  
13 Act, such lease may be forfeited and cancelled by any appropriate  
14 proceeding brought by the Secretary in any United States district  
15 court having jurisdiction under the provisions of this Act.

16           (c) ADDITIONAL PROVISIONS. (1) In addition to the  
17 authority for lease cancellation provided for by subsections (a)  
18 and (b) of this section, any lease may be cancelled at any time,  
19 if the Secretary determines, after a hearing, that--

20           (A) continued activity pursuant to such lease is likely to  
21 result in a significant adverse effect to fish or wildlife, their  
22 habitat, or the environment, or is likely to result in serious  
23 harm or damage to human life, to property, or to the national  
24 security or defense; and

25           (B) the likelihood of a significant adverse effect will not  
26 disappear within a reasonable period of time or the threat of

1 harm or damage will not disappear or decrease to an acceptable  
2 extent within a reasonable period of time.

3 (2) Such cancellation shall not occur unless and until  
4 operations under such lease or permit shall have been under  
5 suspension, or temporary prohibition, by the Secretary, with due  
6 extension of any lease term continuously for a period of five  
7 years, or for a lesser period upon request of the lessee.

8 (3) Cancellation under this subsection shall entitle the  
9 lessee to receive such compensation as the lessee demonstrates to  
10 the Secretary to be equal to the excess, if any, over the  
11 lessee's revenues from the lease (plus interest thereon from the  
12 date of receipt to the date of reimbursement) of all  
13 consideration paid for the lease and all direct expenditures made  
14 by the lessee after the date of issuance of such lease and in  
15 connection with exploration or development, or both, pursuant to  
16 the lease (plus interest on such consideration and such  
17 expenditures from date of payment to date of reimbursement).

18 Sec. 311. ASSIGNMENT OR SUBLETTING OF LEASES. No lease  
19 issued under the authority of this Act shall be assigned or  
20 sublet, except with the consent of the Secretary.

21 Sec. 312. RELINQUISHMENT. The lessee may, at the discretion  
22 of the Secretary, be permitted at any time to make written  
23 relinquishment of all rights under any lease issued pursuant to  
24 this Act. The Secretary shall accept the relinquishment by the  
25 lessee of any lease issued under this Act where there has not  
26 been surface disturbance on the lands covered by the lease.