

111TH CONGRESS
2D SESSION

S. 3541

To prohibit royalty incentives for deepwater drilling, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 28, 2010

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To prohibit royalty incentives for deepwater drilling, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Deepwater Drilling
5 Royalty Prohibition Act”.

6 **SEC. 2. PROHIBITION ON ROYALTY INCENTIVES FOR DEEP-**
7 **WATER DRILLING.**

8 (a) IN GENERAL.—Notwithstanding any other provi-
9 sion of law, the Secretary of the Interior shall not issue
10 any oil or gas lease sale under the Outer Continental Shelf
11 Lands Act (43 U.S.C. 1331 et seq.) with royalty-based

1 incentives in any tract located in water depths of 400 me-
 2 ters or more on the outer Continental Shelf.

3 (b) ROYALTY RELIEF FOR DEEP WATER PRODUC-
 4 TION.—Section 345 of the Energy Policy Act of 2005 (42
 5 U.S.C. 15905) is repealed.

6 (c) ROYALTY RELIEF.—Section 8(a)(3) of the Outer
 7 Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)) is
 8 amended by adding at the end the following:

9 “(D) PROHIBITION.—Notwithstanding
 10 subparagraphs (A) through (C) or any other
 11 provision of law, the Secretary shall not reduce
 12 or eliminate any royalty or net profit share for
 13 any lease or unit located in water depths of 400
 14 meters or more on the outer Continental
 15 Shelf.”.

16 (d) APPLICATION.—This section and the amend-
 17 ments made by this section—

18 (1) apply beginning with the first lease sale
 19 held on or after the date of enactment of this Act
 20 for which a final notice of sale has not been pub-
 21 lished as of that date; and

22 (2) do not apply to a lease in effect on the date
 23 of enactment of this Act.

