18. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MARKEY OF MASSACHUSETTS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

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AMENDMENT TO THE RULES COMMITTEE PRINT OF H.R. 7

OFFERED BY MR. MARKEY

At the end of title XVII add the following:

Subtitle D—Miscellaneous Provisions

SEC. 17801 ELIGIBILITY FOR NEW LEASES AND THE TRANSFER OF LEASES.

(a) ISSUANCE OF NEW LEASES.—

(1) IN GENERAL.—Beginning in fiscal year 2013, the Secretary of the Interior shall not accept bids on any new leases offered pursuant to this title (including the amendments made by this title) from a person described in paragraph (2) unless the person has renegotiated each covered lease with respect to which the person is a lessee, to modify the payment responsibilities of the person to require the payment of royalties if the price of oil and natural gas is greater than or equal to the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

1 (2) PERSONS DESCRIBED.—A person referred
2 to in paragraph (1) is a person that—
3 (A) is a lessee that—
4 (i) holds a covered lease on the date
5 on which the Secretary considers the
6 issuance of the new lease; or
7 (ii) was issued a covered lease before
8 the date of enactment of this Act, but
9 transferred the covered lease to another
10 person or entity (including a subsidiary or
11 affiliate of the lessee) after the date of en-
12 actment of this Act; or
13 (B) any other person that has any direct
14 or indirect interest in, or that derives any ben-
15 efit from, a covered lease.
16 (3) MULTIPLE LESSEES.—
17 (A) IN GENERAL.—For purposes of para-
18 graph (1), if there are multiple lessees that own
19 a share of a covered lease, the Secretary may
20 implement separate agreements with any lessee
21 with a share of the covered lease that modifies
22 the payment responsibilities with respect to the
23 share of the lessee to include price thresholds
24 that are equal to or less than the price thresh-
25 olds described in clauses (v) through (vii) of

1 section 8(a)(3)(C) of the Outer Continental
2 Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).
3 (B) TREATMENT OF SHARE AS COVERED
4 LEASE.—Beginning on the effective date of an
5 agreement under subparagraph (A), any share
6 subject to the agreement shall not constitute a
7 covered lease with respect to any lessees that
8 entered into the agreement.
9 (b) TRANSFERS.—A lessee or any other person who
10 has any direct or indirect interest in, or who derives a
11 benefit from, a covered lease shall not be eligible to obtain
12 by sale or other transfer (including through a swap, spin-
13 off, servicing, or other agreement) any new lease offered
14 pursuant to this title (including the amendments made by
15 this title) or the economic benefit of any such new lease,
16 unless the lessee or other person has—
17 (1) renegotiated each covered lease with respect
18 to which the lessee or person is a lessee, to modify
19 the payment responsibilities of the lessee or person
20 to include price thresholds that are equal to or less
21 than the price thresholds described in clauses (v)
22 through (vii) of section 8(a)(3)(C) of the Outer Con-
23 tinental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C));
24 or

1 (2) entered into an agreement with the Sec-
2 retary to modify the terms of all covered leases of
3 the lessee or other person to include limitations on
4 royalty relief based on market prices that are equal
5 to or less than the price thresholds described in
6 clauses (v) through (vii) of section 8(a)(3)(C) of the
7 Outer Continental Shelf Lands Act (43 U.S.C.
8 1337(a)(3)(C)).
9 (c) DEFINITIONS.—In this section—
10 (1) COVERED LEASE.—The term "covered
11 lease" means a lease for oil or gas production in the
12 Gulf of Mexico that is—
13 (A) in existence on the date of enactment
14 of this Act;
15 (B) issued by the Department of the Inte-
16 rior under section 304 of the Outer Continental
17 Shelf Deep Water Royalty Relief Act (43
18 U.S.C. 1337 note; Public Law 104–58); and
19 (C) not subject to limitations on royalty re-
20 lief based on market price that are equal to or
21 less than the price thresholds described in
22 clauses (v) through (vii) of section 8(a)(3)(C) of
23 the Outer Continental Shelf Lands Act (43
24 U.S.C. 1337(a)(3)(C)).

1 (2) LESSEE.—The term "lessee" includes any
2 person or other entity that controls, is controlled by,
3 or is in or under common control with, a lessee.
4 (3) NEW LEASE.—The term "new lease" means
5 a lease issued in a lease sale under this title or the
6 amendments made by this title.