Amendment to H.R. 1613

Offered by Mr. Holt

Page 5, after line 18, insert the following (and re-designate the subsequent quoted subsection accordingly):

"(e) Civil Penalties.—

"(1) In general.—Notwithstanding any other provision of this section, the Secretary may not implement a transboundary hydrocarbon agreement unless the agreement provides that—

"(A) except as provided in subparagraph (B), any person who fails to comply with any provision of this Act with respect to any action under a transboundary hydrocarbon agreement, or any term of a lease, license, or permit issued pursuant to such an agreement, or any regulation or order issued under such an agreement, shall be liable for a civil administrative penalty of not more than $80,000 for each day of the continuance of such failure;

"(B) if a failure described in subparagraph (A) constitutes or constituted a threat of harm or damage to life, property, or the marine, coastal, or human environment, a civil penalty of not more than $150,000 shall be assessed for each day of the continuance of the failure;

"(C) the Secretary may assess, collect, and compromise any such penalty; and

"(D) the Secretary may increase the maximum amount of any penalty established pursuant to this subsection.

"(2) REVIEW OF MAXIMUM PENALTIES.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary shall review the maximum amount of each penalty established pursuant to this subsection, including any amount increased under paragraph (1)(D), every 5 years and determine if such maximum amount is appropriate.

"(B) NOTICE OF INCREASES.—The Secretary shall submit to Congress notice of the reasons for each increase by not later than 60 days after the increase takes effect.

"(f) INSPECTION FEES.—

"(1) ESTABLISHMENT.—Notwithstanding any other provision of this section, the Secretary may not implement a transboundary hydrocarbon agreement unless the agreement provides that the Secretary shall establish, by rule, and collect from the operators of outer Continental Shelf facilities (including mobile offshore drilling units) under such agreement that is subject to inspection by the Secretary pursuant to this Act non-refundable fees for such inspections.

''(2) AMOUNT.—Such fees shall be set at an aggregate level equal to the amount necessary to offset the annual expenses of inspection activities pursuant to this Act.

''(3) AVAILABILITY OF FEES.—All amounts collected by the Secretary under this section—

''(A) shall be credited as offsetting receipts;

''(B) shall be available for expenditure only for purposes of carrying out inspection activities pursuant to this Act; and

''(C) shall remain available until expended.

''(g) SAFETY REQUIREMENTS.—Notwithstanding any other provision of this section, the Secretary may not implement a transboundary hydrocarbon agreement unless the agreement provides that the Secretary shall require that drilling operations conducted under each lease issued under the agreement meet requirements for—

''(1) third-party certification of safety systems related to well control, such as blowout preventers;

"(2) performance of blowout preventers, including quantitative risk assessment standards, subsea testing, and secondary activation methods;

"(3) independent third-party certification of well casing and cementing programs and procedures;

"(4) mandatory safety and environmental management systems by operators on the outer Continental Shelf; and

"(5) procedures and technologies to be used during drilling operations to minimize the risk of ignition and explosion of hydrocarbons.

"(h) UNLIMITED LIABILITY.—Notwithstanding any other provision of this section, the Secretary may not implement a transboundary hydrocarbon agreement unless the agreement specifies unlimited liability for any damages related to an oil spill occurring as a result of activities under the agreement.

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