AMENDMENT TO RULES COMMITTEE PRINT 112-29

OFFERED BY MR. HOLT OF NEW JERSEY

Add at the end the following:

SEC. ___ ELIGIBILITY FOR LEASES.

(a) LIMITATION ON ELIGIBILITY.—

(1) IN GENERAL.—Beginning 1 year after the date of enactment of this Act, the Secretary of the Interior shall not offer any lease pursuant to this Act to 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)).

(2) PERSONS DESCRIBED.—A person referred to in paragraph (1) is a person that—

(A) is a lessee that—
(i) holds a covered lease on the date on which the Secretary considers the issuance of the lease under this Act; or

(ii) was issued a covered lease before the date of enactment of this Act, but transferred the covered lease to another person or entity (including a subsidiary or affiliate of the lessee) after the date of enactment of this Act; or

(B) any other person that has any direct or indirect interest in, or that derives any benefit from, a covered lease.

(b) DEFINITIONS.—In this section:

(1) COVERED LEASE.—The term “covered lease” means a lease for oil or gas production in the Gulf of Mexico that is—

(A) in existence on the date of enactment of this Act;

(B) issued by the Department of the Interior under section 304 of the Outer Continental Shelf Deep Water Royalty Relief Act (43 U.S.C. 1337 note; Public Law 104–58); and

(C) not subject to limitations on royalty relief based on market price that are equal to or less than 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)).

(2) Lessee.—The term “lessee” includes any person or other entity that controls, is controlled by, or is in or under common control with, a lessee.