SEC. 369. <<NOTE: Oil Shale, Tar Sands, and Other Strategic

Unconventional Fuels Act of 2005. Deadlines. 42 USC

15927.>> OIL SHALE, TAR SANDS, AND OTHER STRATEGIC

UNCONVENTIONAL FUELS.

(a) Short Title.--This section may be cited as the ``Oil Shale, Tar

Sands, and Other Strategic Unconventional Fuels Act of 2005''.

(b) Declaration of Policy.--Congress declares that it is the policy

of the United States that--

(1) United States oil shale, tar sands, and other

unconventional fuels are strategically important domestic

resources that should be developed to reduce the growing

dependence of the United States on politically and economically

unstable sources of foreign oil imports;

(2) the development of oil shale, tar sands, and other

strategic unconventional fuels, for research and commercial

development, should be conducted in an environmentally sound

manner, using practices that minimize impacts; and

(3) development of those strategic unconventional fuels

should occur, with an emphasis on sustainability, to benefit

the United States while taking into account affected States and

communities.

(c) Leasing Program for Research and Development of Oil Shale and

Tar Sands.--In accordance with section 21 of the Mineral Leasing Act (30 U.S.C. 241) and any other applicable law, except as provided in this section, not later than 180 days after the date of enactment of this Act, from land otherwise available for leasing, the Secretary of the Interior (referred to in this section as the ``Secretary'') shall make available for leasing such land as the Secretary considers to be

necessary to conduct research and development activities with respect to technologies for the recovery of liquid fuels from oil shale and tar

sands resources on public lands. Prospective public lands within each of the States of Colorado, Utah, and Wyoming shall be made available for such research and development leasing.

(d) Programmatic Environmental Impact Statement and Commercial

Leasing Program for Oil Shale and Tar Sands.--

(1) Programmatic environmental impact statement.--Not later

than 18 months after the date of enactment of this Act, in

accordance with section 102(2)(C) of the National Environmental

Policy Act of 1969 (42 U.S.C. 4332(2)(C)), the Secretary shall

complete a programmatic environmental impact statement for a

commercial leasing program for oil shale and tar sands resources on public lands, with an emphasis on

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the most geologically prospective lands within each of the

States of Colorado, Utah, and Wyoming.

(2) Final regulation.--Not later than 6 months after the

completion of the programmatic environmental impact statement

under this subsection, the Secretary shall publish a final

regulation establishing such program.

(e)Commencement of Commercial Leasing of Oil Shale and Tar Sands.--

Not later than 180 days after publication of the final regulation

required by subsection (d), the Secretary shall consult with the

Governors of States with significant oil shale and tar sands resources

on public lands, representatives of local governments in such States,

interested Indian tribes, and other interested persons, to determine the level of support and interest in the States in the development of tar sands and oil shale resources. If the Secretary finds sufficient support and interest exists in a State, the Secretary may conduct a lease sale in that State under the commercial leasing program regulations. Evidence of interest in a lease sale under this subsection shall include, but not be limited to, appropriate areas nominated for leasing by potential lessees and other interested parties.

(f) Diligent Development Requirements.--

The Secretary shall, by regulation, designate work requirements and milestones to ensure the diligent development of the lease.

(g) Initial Report by the Secretary of the Interior.--Within 90 days after the date of enactment of this Act, the Secretary of the Interior shall report to the Committee on Resources of the House of

Representatives and the Committee on Energy and Natural Resources of the Senate on--

(1) the interim actions necessary to--

(A) develop the program, complete the programmatic

environmental impact statement, and promulgate the final regulation as required by subsection (d); and

(B) conduct the first lease sales under the program

as required by subsection (e); and

(2) a schedule to complete such actions within the time

limits mandated by this section.

(h) Task Force.--

(1) Establishment.--The Secretary of Energy, in cooperation

with the Secretary of the Interior and the Secretary of Defense, shall establish a task force to develop a program to coordinate and accelerate the commercial development of strategic unconventional fuels, including but not limited to oil shale and tar sands resources within the United States, in an integrated manner.

(2) Composition.--The Task Force shall be composed of--

(A) the Secretary of Energy (or the designee of the

Secretary);

(B) the Secretary of the Interior (or the designee

of the Secretary of the Interior);

(C) the Secretary of Defense (or the designee of the Secretary of Defense);

(D) the Governors of affected States; and

(E) representatives of local governments in affected areas.

(3) Recommendations.--The Task Force shall make such

recommendations regarding promoting the development of the

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strategic unconventional fuels resources within the United

States as it may deem appropriate.

(4) Partnerships.--The Task Force shall make recommendations with respect to initiating a partnership with the Province of Alberta, Canada, for purposes of sharing information relating to the development and production of oil from tar sands, and

similar partnerships with other nations that contain significant

oil shale resources.

(5) Reports.--

(A) Initial report.--Not later than 180 days after

the date of enactment of this Act, the Task Force shall

submit to the President and Congress a report that

describes the analysis and recommendations of the Task

Force.

(B) Subsequent reports.--The Secretary shall provide an annual report describing the progress in developing the strategic unconventional fuels resources within the United States for each of the 5 years following submission of the report provided for in subparagraph (A).

(i) Office of <<NOTE: Establishment.>> Petroleum Reserves.--

(1) In general.--The Office of Petroleum Reserves of the

Department of Energy shall--

(A) coordinate the creation and implementation of a

commercial strategic fuel development program for the

United States;

(B) evaluate the strategic importance of

unconventional sources of strategic fuels to the

security of the United States;

(C) promote and coordinate Federal Government

actions that facilitate the development of strategic

fuels in order to effectively address the energy supply

needs of the United States;

(D) identify, assess, and recommend appropriate

actions of the Federal Government required to assist in

the development and manufacturing of strategic fuels;

and

(E) coordinate and facilitate appropriate

relationships between private industry and the Federal

Government to promote sufficient and timely private

investment to commercialize strategic fuels for domestic and military use.

(2) Consultation and coordination.--The Office of Petroleum

Reserves shall work closely with the Task Force and coordinate

its staff support.

(3) Annual reports.--Not later than 180 days after the date

of enactment of this Act and annually thereafter, the Secretary

shall submit to Congress a report that describes the activities

of the Office of Petroleum Reserves carried out under this

subsection.

(j) Mineral Leasing Act Amendments.--

1) Section 17.--Section 17(b)(2) of the Mineral Leasing Act(30 U.S.C. 226(b)(2)), as amended by section 350, is further

amended--

(A) in subparagraph (A) (as designated by the

amendment made by subsection (a)(1) of that section) by

designating the first, second, and third sentences as

clauses (i), (ii), and (iii), respectively;

(B) by moving clause (ii), as so designated, so as

to begin immediately after and below clause (i);

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(C) by moving clause (iii), as so designated, so as

to begin immediately after and below clause (ii);

(D) in clause (i) of subparagraph (A) (as designated by subparagraph (A) of this paragraph) by striking ``five thousand one hundred and twenty'' and inserting ``5,760''; and

(E) by adding at the end the following:

``(iv) No lease issued under this paragraph shall be

included in any chargeability limitation associated with oil and gas leases.''.

(2) Section 21.--Section 21(a) of the Mineral Leasing Act

(30 U.S.C. 241(a)) is amended--

(A) by striking ``(a) That the Secretary'' and

inserting the following:

``(a)(1) The Secretary'';

(B) by striking ``; that no lease'' and inserting a

period, followed by the following:

``(2) No lease'';

(C) by striking ``Leases may be for'' and inserting

the following:

``(3) Leases may be for'';

(D) by striking ``For the privilege'' and inserting

the following:

``(4) For the privilege'';

(E) in paragraph (2) (as designated by subparagraph

(B) of this paragraph) by striking ``five thousand one

hundred and twenty'' and inserting ``5,760'';

(F) in paragraph (4) (as designated by subparagraph

(D) of this paragraph) by striking ``rate of 50 cents

per acre'' and inserting ``rate of $2.00 per acre'';

(G)(i) by striking ``: Provided further, That not

more than one lease shall be granted under this section

to any'' and inserting ``: Provided further, That no'';

and

(ii) by striking ``except that with respect to

leases for'' and inserting ``shall acquire or hold more

than 50,000 acres of oil shale leases in any one State.

For''; and

(H) by adding at the end the following:

``(5) No lease issued under this section shall be included

in any chargeability limitation associated with oil and gas

leases.''.

(k) Interagency Coordination and Expeditious Review of Permitting

Process.--

(1) Department of the interior as lead agency.--Upon written

request of a prospective applicant for Federal authorization to

develop a proposed oil shale or tar sands project, the

Department of the Interior shall act as the lead Federal agency

for the purposes of coordinating all applicable Federal

authorizations and environmental reviews. To the maximum extent

practicable under applicable Federal law, the Secretary shall

coordinate this Federal authorization and review process with

any Indian tribes and State and local agencies responsible for

conducting any separate permitting and environmental reviews.

(2) Implementing regulations.--Not later than 6 months after

the date of enactment of this Act, the Secretary shall issue any

regulations necessary to implement this subsection.

(l) Cost-shared Demonstration Technologies.--

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(1) Identification.--The Secretary of Energy shall identify

technologies for the development of oil shale and tar sands

that--

(A) are ready for demonstration at a commercially-

representative scale; and

(B) have a high probability of leading to commercial

production.

(2) Assistance.--For each technology identified under

paragraph (1), the Secretary of Energy may provide--

(A) technical assistance;

(B) assistance in meeting environmental and

regulatory requirements; and

(C) cost-sharing assistance.

(m) National Oil Shale and Tar Sands Assessment.--

(1) Assessment.--

(A) In general.--The Secretary shall carry out a

national assessment of oil shale and tar sands resources

for the purposes of evaluating and mapping oil shale and

tar sands deposits, in the geographic areas described in

subparagraph (B). In conducting such an assessment, the

Secretary shall make use of the extensive geological

assessment work for oil shale and tar sands already

conducted by the United States Geological Survey.

(B) Geographic areas.--The geographic areas referred

to in subparagraph (A), listed in the order in which the

Secretary shall assign priority, are--

(i) the Green River Region of the States of

Colorado, Utah, and Wyoming;

(ii) the Devonian oil shales and other

hydrocarbon-bearing rocks having the nomenclature

of ``shale'' located east of the Mississippi

River; and

(iii) any remaining area in the central and

western United States (including the State of

Alaska) that contains oil shale and tar sands, as

determined by the Secretary.

(2) Use of state surveys and universities.--In carrying out

the assessment under paragraph (1), the Secretary may request

assistance from any State-administered geological survey or

university.

(n) Land Exchanges.--

(1) In general.--To facilitate the recovery of oil shale and

tar sands, especially in areas where Federal, State, and private

lands are intermingled, the Secretary shall consider the use of

land exchanges where appropriate and feasible to consolidate

land ownership and mineral interests into manageable areas.

(2) Identification and priority of public lands.--The

Secretary shall identify public lands containing deposits of oil

shale or tar sands within the Green River, Piceance Creek,

Uintah, and Washakie geologic basins, and shall give priority to

implementing land exchanges within those basins. The Secretary

shall consider the geology of the respective basin in

determining the optimum size of the lands to be consolidated.

(3) Compliance with section 206 of flpma.--A land exchange

undertaken in furtherance of this subsection shall be

implemented in accordance with section 206 of the Federal Land

Policy and Management Act of 1976 (43 U.S.C. 1716).

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(o) Royalty Rates for Leases.--The Secretary shall establish

royalties, fees, rentals, bonus, or other payments for leases under this

section that shall--

(1) encourage development of the oil shale and tar sands

resource; and

(2) ensure a fair return to the United States.

(p) Heavy Oil Technical and Economic Assessment.--The Secretary of

Energy shall update the 1987 technical and economic assessment of

domestic heavy oil resources that was prepared by the Interstate Oil and

Gas Compact Commission. Such an update should include all of North

America and cover all unconventional oil, including heavy oil, tar sands

(oil sands), and oil shale.

(q) Procurement of Unconventional Fuels by the Department of

Defense.--

(1) In general.--Chapter 141 of title 10, United States

Code, is amended by inserting after section 2398 the following:

``Sec. 2398a. Procurement of fuel derived from coal, oil shale, and tar

sands

``(a) Use of Fuel to Meet Department of Defense Needs.--The

Secretary of Defense shall develop a strategy to use fuel produced, in

whole or in part, from coal, oil shale, and tar sands (referred to in

this section as a `covered fuel') that are extracted by either mining or

in-situ methods and refined or otherwise processed in the United States

in order to assist in meeting the fuel requirements of the Department of

Defense when the Secretary determines that it is in the national

interest.

``(b) Authority to Procure.--The Secretary of Defense may enter into

1 or more contracts or other agreements (that meet the requirements of

this section) to procure a covered fuel to meet 1 or more fuel

requirements of the Department of Defense.

``(c) Clean Fuel Requirements.--A covered fuel may be procured under

subsection (b) only if the covered fuel meets such standards for clean

fuel produced from domestic sources as the Secretary of Defense shall

establish for purposes of this section in consultation with the

Department of Energy.

``(d) Multiyear Contract Authority.--Subject to applicable

provisions of law, any contract or other agreement for the procurement

of covered fuel under subsection (b) may be for 1 or more years at the

election of the Secretary of Defense.

``(e) Fuel Source Analysis.--In order to facilitate the procurement

by the Department of Defense of covered fuel under subsection (b), the

Secretary of Defense may carry out a comprehensive assessment of current

and potential locations in the United States for the supply of covered

fuel to the Department.''.

(2) Clerical amendment.--The table of sections for chapter

141 of title 10, United States Code, is amended by inserting

after the item relating to section 2398 the following:

``2398a. Procurement of fuel derived from coal, oil shale, and tar

sands.''.

(r) State Water Rights.--Nothing in this section preempts or affects

any State water law or interstate compact relating to water.

(s) Authorization of Appropriations.--There are authorized to be

appropriated such sums as are necessary to carry out this section.