

SA 3133. Mr. STEVENS proposed an amendment to amendment SA 3132 proposed by Mr. MURKOWSKI (for himself, Mr. BREAUX, and Mr. STEVENS) to the amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes; as follows:

(a) On page 3, strike all after line 1 and insert the following:

``SEC. 1903. LEASING PROGRAM FOR LANDS WITHIN THE COASTAL PLAIN.

``(a) IN GENERAL.--The Secretary shall take such actions as are necessary--

``(1) to establish and implement in accordance with this title a competitive oil and gas leasing program under the Mineral Leasing Act (30 U.S.C. 181 et seq.) that will result in an environmentally sound program for the exploration, development, and production of the oil and gas resources of the Coastal Plain;

``(2) to administer the provisions of this title through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, subsistence resources, and the environment, and including, in furtherance of this goal, by requiring the application of the best commercially available technology for oil and gas exploration, development, and production to all exploration, development, and production operations under this title in a manner that ensures the receipt of fair market value by the public for the mineral resources to be leased; and

``(3) to consult with the representatives of the City of Kaktovik and the Kaktovik Inupiat Corporation to ensure that the oil and gas exploration, development and production activities authorized by this title are conducted in a manner that recognizes the interests of the city, the corporation, and the residents of Kaktovik, their culture, their traditional subsistence activities, and their use of the resources of the Coastal Plain.

``(b) REPEAL.--Section 1003 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3143) is repealed.

``(c) COMPLIANCE WITH REQUIREMENTS UNDER CERTAIN OTHER LAWS.--

``(1) **COMPATIBILITY.--**For purposes of the National Wildlife Refuge System Administration Act of 1966, the oil and gas leasing program and activities authorized by this section in the Coastal Plain are deemed to be compatible with the purposes for which the Arctic National Wildlife Refuge was established, and that no further findings or decisions are required to implement this determination.

``(2) **ADEQUACY OF THE DEPARTMENT OF THE INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT STATEMENT.--**The `Final Legislative Environmental Impact

Statement' (April 1987) on the Coastal Plain prepared pursuant to section 1002 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3142) and section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the requirements under the National Environmental Policy Act of 1969 that apply with respect to actions authorized to be taken by the Secretary to develop and promulgate the regulations for the establishment of a leasing program authorized by this title before the conduct of the first lease sale.

“(3) COMPLIANCE WITH NEPA FOR OTHER ACTIONS.--Before conducting the first lease sale under this title, the Secretary shall prepare an environmental impact statement under the National Environmental Policy Act of 1969 with respect to the actions authorized by this title that are not referred to in paragraph (2). Notwithstanding any other law, the Secretary is not required to identify non-

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leasing alternative courses of action or to analyze the environmental effects of such courses of action. The Secretary shall only identify a preferred action for such leasing and a single leasing alternative, and analyze the environmental effects and potential mitigation measures for those two alternatives. The identification of the preferred action and related analysis for the first lease sale under this title shall be completed within 6 months after the date of the enactment of this Act. The Secretary shall only consider public comments that specifically address the Secretary's preferred action and that are filed within 20 days after publication of an environmental analysis. Notwithstanding any other law, compliance with this paragraph is deemed to satisfy all requirements for the analysis and consideration of the environmental effects of proposed leasing under this title.

“(d) RELATIONSHIP TO STATE AND LOCAL AUTHORITY.--Nothing in this title shall be considered to expand or limit State and local regulatory authority.

“(e) SPECIAL AREAS.--

“(1) IN GENERAL.--The Secretary, after consultation with the State of Alaska, the city of Kaktovik, and the North Slope Borough, may designate up to a total of 45,000 acres of the Coastal Plain as a Special Area if the Secretary determines that the Special Area is of such unique character and interest so as to require special management and regulatory protection. The Secretary shall designate as such a Special Area the Sadlerochit Spring area, comprising approximately 4,000 acres as depicted on the map referred to in section 1902(1).

“(2) MANAGEMENT.--Each such Special Area shall be managed so as to protect and preserve the area's unique and diverse character including its fish, wildlife, and subsistence resource values.

“(3) EXCLUSION FROM LEASING OR SURFACE OCCUPANCY.--The Secretary may exclude any Special Area from leasing. If the Secretary leases a Special Area, or any part thereof, for purposes of oil and gas exploration, development, production, and related activities, there shall be no surface occupancy of the lands comprising the Special Area.

“(4) DIRECTIONAL DRILLING.--Notwithstanding the other provisions of this section, the Secretary may lease all or a portion of a Special Area under terms that permit the use of horizontal drilling technology from sites on leases located outside the area.

“(f) LIMITATION ON CLOSED AREAS.--The Secretary's sole authority to close lands within the Coastal Plain to oil and gas leasing and to exploration, development, and production is that set forth in this title.

“(g) REGULATIONS.--

“(1) IN GENERAL.--The Secretary shall prescribe such regulations as may be necessary to carry out this title, including rules and regulations relating to protection of the fish and wildlife, their habitat, subsistence resources, and environment of the Coastal Plain, by no later than 4 months after the date of the enactment of this title.

“(2) REVISION OF REGULATIONS.--The Secretary shall periodically review and, if appropriate, revise the rules and regulations issued under subsection (a) to reflect any significant biological, environmental, or engineering data that come to the Secretary's attention.

“SEC. 1904. LEASE SALES.

“(a) IN GENERAL.--Lands may be leased pursuant to this title to any person qualified to obtain a lease for deposits of oil and gas under the Mineral Leasing Act (30 U.S.C. 181 et seq.).

“(b) PROCEDURES.--The Secretary shall, by regulation, establish procedures for--

“(1) receipt and consideration of sealed nominations for any area in the Coastal Plain for inclusion in, or exclusion (as provided in subsection (c)) from, a lease sale;

“(2) the holding of lease sales after such nomination process; and

“(3) public notice of and comment on designation of areas to be included in, or excluded from, a lease sale.

“(c) LEASE SALE BIDS.--Bidding for leases under this title shall be by sealed competitive cash bonus bids.

“(d) ACREAGE MINIMUM IN FIRST SALE.--In the first lease sale under this title, the Secretary shall offer for lease those tracts the Secretary considers to have the greatest potential for the discovery of hydrocarbons, taking into consideration nominations received pursuant to subsection (b)(1), but in no case less than 200,000 acres.

“(e) TIMING OF LEASE SALES.--The Secretary shall--

“(1) conduct the first lease sale under this title within 8 months after the date of the enactment of this title; and

“(2) conduct additional sales so long as sufficient interest in development exists to warrant, in the Secretary's judgment, the conduct of such sales.

“(f) **AUTHORIZATION FOR APPROPRIATIONS.**--The Secretary of the Interior is authorized and directed to make available from funds available to the Secretary under Public Law 107-63 under the Bureau of Land Management, “Management of Lands and Resources” such sums as are necessary to carry out the provisions of this section.”

“**SEC. 1905. GRANT OF LEASES BY THE SECRETARY.**

“(a) **IN GENERAL.**--The Secretary may grant to the highest responsible qualified bidder in a lease sale conducted pursuant to section 1904 any lands to be leased on the Coastal Plain upon payment by the lessee of such bonus as may be accepted by the Secretary.

“(b) **SUBSEQUENT TRANSFERS.**--No lease issued under this title may be sold, exchanged, assigned, sublet, or otherwise transferred except with the approval of the Secretary. Prior to any such approval the Secretary shall consult with, and give due consideration to the views of, the Attorney General.

“**SEC. 1906. LEASE TERMS AND CONDITIONS.**

“(a) **IN GENERAL.**--An oil or gas lease issued pursuant to this title shall--

“(1) provide for the payment of a royalty of not less than 12 1/2 percent in amount or value of the production removed or sold from the lease, as determined by the Secretary under the regulations applicable to other Federal oil and gas leases;

“(2) provide that the Secretary may close, on a seasonal basis, portions of the Coastal Plain to exploratory drilling activities as necessary to protect caribou calving areas and other species of fish and wildlife;

“(3) require that the lessee of lands within the Coastal Plain shall be fully responsible and liable for the reclamation of lands within the Coastal Plain and any other Federal lands that are adversely affected in connection with exploration, development, production, or transportation activities conducted under the lease and within the Coastal Plain by the lessee or by any of the subcontractors or agents of the lessee;

“(4) provide that the lessee may not delegate or convey, by contract or otherwise, the reclamation responsibility and liability to another person without the express written approval of the Secretary;

“(5) provide that the standard of reclamation for lands required to be reclaimed under this title shall be, as nearly as practicable, a condition capable of supporting the uses which the lands were capable of supporting prior to any exploration, development, or production activities, or upon application by the lessee, to a higher or better use as approved by the Secretary;

“(6) contain terms and conditions relating to protection of fish and wildlife, their habitat, and the environment as required pursuant to section 1903(a)(2);

“(7) provide that the lessee, its agents, and its contractors use best efforts to provide a fair share, as determined by the level of obligation previously agreed to in the 1974 agreement implementing section 29 of the Federal Agreement and Grant of Right of Way for the Operation of the Trans-Alaska Pipeline, of employment and contracting for Alaska Natives and Alaska Native Corporations from throughout the State;

“(8) prohibit the export of oil produced under the lease, except exports to Israel; and

“(9) contain such other provisions as the Secretary determines necessary to ensure compliance with the provisions of this title and the regulations issued under this title.

“(b) **ENERGY SECURITY OF ISRAEL.**--To further the purposes of paragraph (a)(8), the oil supply arrangement between the United States and Israel, as memorialized in a Memorandum of Agreement which entered into force on November 25, 1979, as extended through 2004, and the related Contingency Implementing Arrangements for the Memorandum of Agreement, as extended through 2004, are extended through 2014.

“(c) **PROJECT LABOR AGREEMENTS.**--The Secretary, as a term and condition of each lease under this title and in recognizing the Government's proprietary interest in labor stability and in the ability of construction labor and management to meet the particular needs and conditions of projects to be developed under the leases issued pursuant to this title and the special concerns of the parties to such leases, shall require that the lessee and its agents and contractors negotiate to obtain a project labor agreement for the employment of laborers and mechanics on production, maintenance, and construction under the lease.

“SEC. 1907. COASTAL PLAIN ENVIRONMENTAL PROTECTION.

“(a) **NO SIGNIFICANT ADVERSE EFFECT STANDARD TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.**--The Secretary shall, consistent with the requirements of section 1903, administer the provisions of this title through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that--

“(1) ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, and the environment;

“(2) require the application of the best commercially available technology for oil and gas exploration, development, and production on all new exploration, development, and production operations; and

“(3) ensure that the maximum amount of surface acreage covered by production and support facilities, including airstrips and any areas covered by gravel berms or piers for support of pipelines, does not exceed 2,000 acres on the Coastal Plain.

“(b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.--The Secretary shall also require, with respect to any proposed drilling and related activities, that--

“(1) a site-specific analysis be made of the probable effects, if any, that the drilling or related activities will have on fish and wildlife, their habitat, and the environment;

“(2) a plan be implemented to avoid, minimize, and mitigate (in that order and to the extent practicable) any significant adverse effect identified under paragraph (1); and

“(3) the development of the plan shall occur after consultation with the agency or agencies having jurisdiction over matters mitigated by the plan.

“(c) REGULATIONS TO PROTECT COASTAL PLAIN FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS, AND THE ENVIRONMENT.--Before implementing the leasing program authorized by this title, the Secretary shall prepare and promulgate regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other measures designed to ensure that the activities undertaken on the Coastal Plain under this title are conducted in a manner consistent with the purposes and environmental requirements of this title.

“(d) COMPLIANCE WITH FEDERAL AND STATE ENVIRONMENTAL LAWS AND OTHER REQUIREMENTS.--The proposed regulations, lease terms, conditions, restrictions, prohibitions, and stipulations for the leasing program under this title shall require compliance with all applicable provisions of Federal and State environmental law and shall also require the following:

“(1) Standards at least as effective as the safety and environmental mitigation measures set forth in items 1 through 29 at pages 167 through 169 of the ‘Final Legislative Environmental Impact Statement’ (April 1987) on the Coastal Plain.

“(2) Seasonal limitations on exploration, development, and related activities, where necessary, to avoid significant adverse effects during periods of concentrated fish and wildlife breeding, denning, nesting, spawning, and migration.

“(3) That exploration activities, except for surface geological studies, be limited to the period between approximately November 1 and May 1 each year and that exploration activities shall be supported by ice roads, winter trails with adequate snow cover, ice pads, ice airstrips, and air transport methods, except that such exploration activities may occur at other times, if--

“(A) the Secretary determines, after affording an opportunity for public comment and review, that special circumstances exist necessitating that exploration activities be conducted at other times of the year; and

“(B) the Secretary finds that such exploration will have no significant adverse effect on the fish and wildlife, their habitat, and the environment of the Coastal Plain.

“(4) Design safety and construction standards for all pipelines and any access and service roads, that--

“(A) minimize, to the maximum extent possible, adverse effects upon the passage of migratory species such as caribou; and

“(B) minimize adverse effects upon the flow of surface water by requiring the use of culverts, bridges, and other structural devices.

“(5) Prohibitions on public access and use on all pipeline access and service roads.

“(6) Stringent reclamation and rehabilitation requirements, consistent with the standards set forth in this title, requiring the removal from the Coastal Plain of all oil and gas development and production facilities, structures, and equipment upon completion of oil and gas production operations, except that the Secretary may exempt from the requirements of this paragraph those facilities, structures, or equipment that the Secretary determines would assist in the management of the Arctic National Wildlife Refuge and that are donated to the United States for that purpose.

“(7) Appropriate prohibitions or restrictions on access by all modes of transportation.

“(8) Appropriate prohibitions or restrictions on sand and gravel extraction.

“(9) Consolidation of facility siting.

“(10) Appropriate prohibitions or restrictions on use of explosives.

(11) Avoidance, to the extent practicable, of springs, streams, and river system; the protection of natural surface drainage patterns, wetlands, and riparian habitats; and the regulation of methods or techniques for developing or transporting adequate supplies of water for exploratory drilling.

“(12) Avoidance or reduction of air traffic-related disturbance to fish and wildlife.

“(13) Treatment and disposal of hazardous and toxic wastes, solid wastes, reserve pit fluids, drilling muds and cuttings, and domestic wastewater, including an annual waste management report, a hazardous materials tracking system, and a prohibition on chlorinated solvents, in accordance with applicable Federal and State environmental law.

“(14) Fuel storage and oil spill contingency planning.

“(15) Research, monitoring, and reporting requirements.

“(16) Field crew environmental briefings.

“(17) Avoidance of significant adverse effects upon subsistence hunting, fishing, and trapping by subsistence users.

“(18) Compliance with applicable air and water quality standards.

“(19) Appropriate seasonal and safety zone designations around well sites, within which subsistence hunting and trapping shall be limited.

“(20) Reasonable stipulations for protection of cultural and archeological resources.

“(21) All other protective environmental stipulations, restrictions, terms, and conditions deemed necessary by the Secretary.

“(e) **CONSIDERATIONS.**--In preparing and promulgating regulations, lease terms, conditions, restrictions, prohibitions, and stipulations under this section, the Secretary shall consider the following:

“(1) The stipulations and conditions that govern the National Petroleum Reserve-Alaska leasing program, as set forth in the 1999 Northeast National Petroleum Reserve-Alaska Final Integrated Activity Plan/Environmental Impact Statement.

“(2) The environmental protection standards that governed the initial Coastal Plain seismic exploration program under parts 37.31 to 37.33 of title 50, Code of Federal Regulations.

“(3) The land use stipulations for exploratory drilling on the KIC-ASRC private lands that are set forth in Appendix 2 of the August 9, 1983, agreement between Arctic Slope Regional Corporation and the United States.

“(f) **FACILITY CONSOLIDATION PLANNING.**--

“(1) **IN GENERAL.**--The Secretary shall, after providing for public notice and comment, prepare and update periodically a plan to govern, guide, and direct the siting and construction of facilities for the exploration, development, production, and transportation of Coastal Plain oil and gas resources.

“(2) **OBJECTIVES.**--The plan shall have the following objectives:

“(A) Avoiding unnecessary duplication of facilities and activities.

“(B) Encouraging consolidation of common facilities and activities.

“(C) Locating or confining facilities and activities to areas that will minimize impact on fish and wildlife, their habitat, and the environment.

“(D) Using existing facilities wherever practicable.

“(E) Enhancing compatibility between wildlife values and development activities.

“(g) **SEC. 1908. EXPEDITED REVIEW.**

The provisions and limitations in subsections 203(c), ``(d) and (e) of Public Law 93-153 shall apply to all actions and decisions concerning pre- leasing, leasing and development activities authorized in this title."

``SEC. 1909. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.

``(a) **EXEMPTION.**--Title XI of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3161 et seq.) shall not apply to the issuance by the Secretary under section 28 of the Mineral Leasing Act (30 U.S.C. 185) of rights-of-way and easements across the Coastal Plain for the transportation of oil and gas.

``(b) **TERMS AND CONDITIONS.**--The Secretary shall include in any right-of-way or easement referred to in subsection (a) such terms and conditions as may be necessary to ensure that transportation of oil and gas does not result in a significant adverse effect on the fish and wildlife, subsistence resources, their habitat, and the environment of the Coastal Plain, including requirements that facilities be sited or designed so as to avoid unnecessary duplication of roads and pipelines.

``(c) **REGULATIONS.**--The Secretary shall include in regulations under section 1903(g) provisions granting rights-of-way and easements described in subsection (a) of this section.

``SEC. 1910. CONVEYANCE.

In order to maximize Federal revenues by removing clouds on title to lands and clarifying land ownership patterns within the Coastal Plain, the Secretary, notwithstanding the provisions of section 1302(h)(2) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3192(h)(2)), shall convey--

``(a) to the Kaktovik Inupiat Corporation the surface estate of the lands described in paragraph 1 of Public Land Order 6959, to the extent necessary to fulfill the Corporation's entitlement under section 12 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611) in accordance with the terms and conditions of the Agreement between the Department of the Interior, the Fish and Wildlife Service, the Bureau of Land Management, and the Kaktovik Inupiat Corporation effective January 22, 1993; and

``(b) to the Arctic Slope Regional Corporation the remaining subsurface estate to which it is entitled pursuant to the August 9, 1983, agreement between the Arctic Slope Regional Corporation and the United States of America.

``SEC. 1911. COASTAL PLAIN LOCAL GOVERNMENT IMPACT AID ASSISTANCE FUND.

``(a) FINANCIAL ASSISTANCE AUTHORIZED.--

``(1) **IN GENERAL.**--The Secretary of the Interior may use amounts available from the Coastal Plain Local Government Impact Aid Assistance Fund established by subsection (d) to

provide timely financial assistance to entities that are eligible under paragraph (2) and that are directly affected by the exploration for or production of oil and gas on the Coastal Plain under this title.

“(2) **ELIGIBLE ENTITIES.**--The North Slope Borough, Kaktovik, and other boroughs, municipal subdivisions, villages, and any other community organized under Alaska State law shall be eligible for financial assistance under this section.

“(b) **USE OF ASSISTANCE.**--Financial assistance made available under this section may be used only for--

“(1) planning for mitigation of the potential effects of oil and gas exploration and development on environmental, social, cultural, recreational and subsistence values;

“(2) implementing mitigation plans and maintaining mitigation projects; and

“(3) developing, carrying out, and maintaining projects and programs that provide new or expanded public facilities and services to address needs and problems associated with such effects, including firefighting,

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police, water, waste treatment, medivac, and medical services.

“(c) **APPLICATION.**--

“(1) **IN GENERAL.**--Any community that is eligible for assistance under this section may submit an application for such assistance to the Secretary of the Interior, in such form and under such procedures as the Secretary of the Interior may prescribe by regulation.

“(2) **NORTH SLOPE BOROUGH COMMUNITIES.**--A community located in the North Slope Borough may apply for assistance under this section either directly to the Secretary or through the North Slope Borough.

“(3) **APPLICATION ASSISTANCE.**--The Secretary of the Interior shall work closely with and assist the North Slope Borough and other communities eligible for assistance under this section in developing and submitting applications for assistance under this section.

“(d) **ESTABLISHMENT OF FUND.**--

“(1) **IN GENERAL.**--A separate account is hereby established in the U.S. Treasury which shall be known as the “Coastal Plain Local Government Impact Aid Assistance Fund”.

“(2) **USE.**--Amounts in the fund may be used only for providing financial assistance under this section and shall be available to the Secretary of the Interior without further appropriation and without fiscal year limitation.

“(3) **DEPOSITS.**--Subject to paragraph (4), and in accordance with section 1912(a)(2) of this title, there shall be deposited into the fund amounts received by the United States as revenues derived from bonus bids on leases and lease sales authorized under this title.

“(4) **INVESTMENT OF BALANCES.**--The Secretary of the U.S. Treasury shall invest amounts in the fund in interest bearing government securities.

“**SEC. 1912. REVENUE ALLOCATION.**

“(a) **BONUS BIDS.**--Notwithstanding section 1904 of this title, the Mineral Leasing Act (30 U.S.C. 181 et. Seq.), or any other law, of the amount of the adjusted bonus bids from oil and gas leasing and operations authorized under this title--

“(1) 50 percent shall be paid to the State of Alaska;

“(2) 1 percent shall be deposited into the Coastal Plain Local Government Impact Aid Assistance Fund as authorized under section 1911 of this title; and

“(3) The balance of such revenues shall be distributed as follows:

“(i) \$10 million shall be available to the Secretary of Energy, without further appropriation and without fiscal year limitation, to fill the Strategic Petroleum Reserve, including terminalling, transportation, power and third party inspections, and to the extent the Secretary of Energy determines that geographic dispersal of the Reserve would enhance its use for national security, the Secretary of Energy shall consider adding Strategic Petroleum Reserves to the West Coast and Hawaii, consistent with current law; and

“(ii) the remainder of the balance shall be deposited into the Conservation, Jobs, and Steel Reinvestment Trust Fund as provided in section 1914.

“(b) **RENTS AND ROYALTIES.**--Notwithstanding section 1904 of this title, the Mineral Leasing Act (30 U.S.C. 181, et. seq.), or any other law, of the amount of the rents and royalties from oil and gas leasing and operations authorized under this title--

“(1) 50 percent shall be paid to the State of Alaska; and

“(2) 50 percent shall be deposited into the Conservation, Jobs, and Steel Reinvestment Trust Fund, in accordance with the provisions of section 1914, and thereafter into the U.S. Treasury as miscellaneous receipts.

“(c) **PAYMENTS TO STATE.**--Payments to the State of Alaska under this section shall be transferred on the 15th day of each month as a direct lump sum payment from the Treasury without further appropriation.

“**SEC. 1913. ADDITIONAL WILDERNESS DESIGNATION.**--

Notwithstanding Sections 101(d) and 1326 of the Alaska National Interest Lands Conservation Act, Section 702(3) of the Alaska National Interest Lands Conservation Act (P.L. 96-487) is amended to read as follows:

“(3) Mollie Beattie Wilderness of approximately 9.5 million acres generally depicted on a map entitled “Arctic National Wildlife Refuge” dated April 2002 on file in the Office of the Director of the U.S. Fish and Wildlife Service;”.

“1914. CONSERVATION, JOBS, AND STEEL REINVESTMENT TRUST FUND.

“(a) **ESTABLISHMENT.**--There is hereby established in the Treasury of the United States a separate account which shall be known as the ‘Conservation, Jobs, and Steel Reinvestment Trust Fund’.

“(b) **DEPOSITS.**--Deposits described in subsection (g), the bonus bid revenues described in section 1912(a)(3)(ii) from leases authorized or issued under this title, and for 30 years following the production from leases issued under this title fifty percent of the rents, royalties and other payments, as described in section 1912(b)(2), shall be deposited into the Conservation, Jobs, and Steel Reinvestment Trust Fund. Amounts described at subsections (c)(2), (3), (4) and (5) of this section and deposited in such Fund each fiscal year shall be available until expended without further appropriation. Amounts described at subsections (c)(1) and (g) and deposited in such Fund shall be available in accordance with subsection (g).

“(c) **USE GENERALLY.**--Subject to paragraph (d), of the funds deposited into the Conservation, Jobs, and Steel Reinvestment Trust Fund--

“(1)(A) 57 percent of bonus bids in Fiscal Year 2003;

“(B) 48 percent of bonus bids in Fiscal Year 2005; and

“(C) 90 percent of rents, royalties and payments for the first 30 years of production shall be available for activities described in subsection (g).

“(2)(A) 10 percent of bonus bids in Fiscal Year 2003; and

“(B) 10 percent of bonus bids in Fiscal Year 2005

may be used by the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of Energy to finance grants, contracts, cooperative agreements (including Memoranda of Understanding), and programs for direct activities of the Departments of the Interior, Energy, and Agriculture to--

“(i) eliminate maintenance and improvement backlogs on Federal lands;

“(ii) restore and protect upland and coastal habitat;

“(iii) provide public access and necessary facilities for visitor accommodations;

“(iv) restore and improve historic landmarks and property;

“(v) develop urban parks through the Urban Park Recreation and Recovery Program and state and local recreation areas;

“(vi) support renewable energy programs, expand energy efficiency programs (including the Steel Industry of the Future program), and develop alternative energy sources; and

“(vii) support other related authorized programs within the jurisdiction of the House and Senate Committees on Appropriations.

“(3)(A) 15 percent of bonus bids in Fiscal Year 2003; and

“(B) 15 percent of bonus bids in Fiscal Year 2005

may be used by the Secretary of Commerce to provide grants, loans, and other assistance (including federal loans with deferred or forgivable payments) to modernize the United States steel, heavy equipment, and related manufacturing industries, and to produce the necessary materials and equipment and construct the necessary infrastructure to support such industries, with emphasis on the transportation systems and infrastructure necessary to transport domestic petroleum products, under authorized programs including, but not limited to--

“(i) the Manufacturing Enterprise Program to stimulate manufacturing capacity;

“(ii) the Economic Development Administration;

“(iii) the International Trade Administration; and

“(iv) federal loan guarantees to finance private sector construction of such transportation systems and infrastructure; and

“(v) other related authorized programs within the jurisdiction of the House and Senate Committees on Appropriations to improve or increase manufacturing capacities and capabilities in the United States.

“(4)(A) 10 percent of bonus bids in Fiscal Year 2003; and

“(B) 10 percent in Fiscal Year 2005

may be used by the Secretary of Labor, except as provided under subsection (e), to train American workers to fabricate, construct, operate, and transport materials for systems and infrastructure necessary to transport domestic petroleum products using authorized programs, including but not limited to--

- ``(i) veterans employment and training programs;
 - ``(ii) dislocated workers program to train unemployed workers;
 - ``(iii) the Mine Safety and Health Administration;
 - ``(iv) the Occupational Safety and Health Administration;
 - ``(v) employment and training administration programs; and
 - ``(vi) other related authorized job training and worker programs within the jurisdiction of the House and Senate Committees on Appropriations.
- ``(5)(A) \$100 million in Fiscal Year 2003;
 - ``(B) \$50 million in Fiscal Year 2005; and
 - ``(C) 10 percent of the rents, royalties and payments for the first 30 years of production

shall be deposited into the Fund established by section 401 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231), and shall be available without further appropriation for transfer, as needed, to the Combined Fund identified in section 402(h)(2) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231) to pay the amount of any shortfall in any premium account for any plan year under the Combined Fund."

In the event bonus bids received exceed the amounts specified in subparagraphs (1)(A) and (B), 2(A) and (B), 3(A) and (B), 4(A) and (B) and 5(A) and (B), 90 percent of such excess funds shall be available for uses as described in paragraph (1), and 10 percent of such excess funds shall be available for use as described in paragraph (5) of this subsection.

``(d) **ASSURANCE.**--The President, at his discretion, may request that amounts available in any fiscal year under paragraphs (c)(2), (3), and (4) be reallocated among the qualified uses in paragraphs (c)(2), (c)(3), and (c)(4) through appropriations acts.

``(e) **MAXIMIZING AMERICAN EMPLOYMENT.**--The Secretary of State is authorized to enter

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into agreements with foreign countries to allow American workers to enter foreign countries to construct, operate, and maintain projects that will increase production and transportation of domestic energy resources and reduce America's reliance on foreign oil and natural gas.

``(f) **SEVERABILITY CLAUSE.**--If any provision of this section, including subsections, sentences, clauses, phrases, or individual words, or the application thereof is held invalid, the validity of the remainder of the section and of the application of any such provision, subsection, sentence, clause, phrase, or individual word shall not be affected thereby."

``(g) ESTABLISHMENT OF STEEL INDUSTRY RETIREE BENEFITS PROTECTION PROGRAM.--The Trade Act of 1974 is amended by adding at the end the following new title:

``TITLE IX--PROTECTION FOR STEEL INDUSTRY RETIREMENT BENEFITS

``SUBTITLE A. Definitions.

``SUBTITLE B. Steel Industry Retiree Benefits Protection Program.

``SUBTITLE C. Conservation Jobs, and Steel Reinvestment Trust Fund.

``Subtitle A--Definitions

``Sec. 901. Definitions.

``**SEC. 901. DEFINITIONS.**

``(a) **TERMS RELATING TO BENEFITS PROGRAM.--**For purposes of this title--

``(1) **RETIREE BENEFITS PROGRAM.--**The term `retiree benefits program' means the Steel Industry Retiree Benefits Protection Program established under this title to provide medical and death benefits to eligible retirees and beneficiaries.

``(2) **STEEL RETIREE BENEFITS.--**

``(A) **IN GENERAL.--**The term `steel retiree benefits' means medical, surgical, or hospital benefits, and death benefits, whether furnished through insurance or otherwise, which are provided to retirees and eligible beneficiaries in accordance with an employee benefit plan (within the meaning of section 3(3) of the Employee Retirement Income Security Act of 1974) which--

``(i) is established or maintained by a qualified steel company or an applicable acquiring company, and

``(ii) is in effect on or after January 1, 2000.

Such term includes benefits provided under a plan without regard to whether the plan is established or maintained pursuant to a collective bargaining agreement.

``(B) **RETIREE.--**

``(i) **IN GENERAL.--**The term `retiree' means an individual who has met any years of service or disability requirements under an employee benefit plan described in subparagraph (A) which are necessary to receive steel retiree benefits under the plan.

“(ii) **CERTAIN RETIREES INCLUDED.**--An individual shall not fail to be treated as a retiree because the individual--

“(I) retired before January 1, 2000, or

“(II) was not employed at the steelmaking assets of a qualified steel company.

“(b) **TERMS RELATING TO STEEL COMPANIES.**--For purposes of this title--

“(1) **QUALIFIED STEEL COMPANY.**--

“(A) **IN GENERAL.**--The term ‘qualified steel company’ means any person which on January 1, 2000, was engaged in--

“(i) the production or manufacture of a steel mill product,

“(ii) the mining or processing of iron ore or beneficiated iron ore products, or

“(iii) the production of coke for use in a steel mill product.

“(B) **TRANSPORTATION.**--The term ‘qualified steel company’ includes any person which on January 1, 2000, was engaged in the transportation of any steel mill product solely or principally for another person described in subparagraph (A), but only if such person and such other person are related persons.

“(C) **SUCCESSORS IN INTEREST.**--The term ‘qualified steel company’ includes any successor in interest of a person described in subparagraph (A) or (B).

“(2) **STEELMAKING ASSETS AND STEEL MILL PRODUCTS.**--

“(A) **STEELMAKING ASSETS.**--The term ‘steelmaking assets’ means any land, building, machinery, equipment, or other fixed assets located in the United States which, at any time on or after January 1, 2000, have been used in the activities described in subparagraph (A) or (B) of paragraph (1).

“(B) **STEEL MILL PRODUCT.**--The term ‘steel mill product’ means any product defined by the American Iron and Steel Institute as a steel mill product.

“(3) **ACQUIRING COMPANY.**--The term ‘acquiring company’ means any person which acquired on or after January 1, 2000, steelmaking assets of a qualified steel company with respect to which a qualifying event has occurred.

“(c) **OTHER DEFINITIONS.**--For purposes of this title--

“(1) **RELATED PERSON.**--The term ‘related person’ means, with respect to any person, a person who--

((A) is a member of the same controlled group of corporations (within the meaning of section 52(a)) as such person, or

((B) is under common control (within the meaning of section 52(b)) with such person.

((2) **SECRETARY.**--The term `Secretary' means the Secretary of Commerce.

((3) **TRUST FUND.**--The term `Trust Fund' means the Conservation, Jobs, and Steel Reinvestment Trust Fund established under section 1914 of the Energy Policy Act of 2002.

((Subtitle B--Steel Industry Retiree Benefits Protection Program

((I. Establishment.

((II. Relief and assumption of liability, eligibility, and certification.

((III. Program benefits.

((PART I--ESTABLISHMENT

((Sec. 902. Establishment.

((**SEC. 902. ESTABLISHMENT.**

((There is established a Steel Industry Retiree Benefits Protection program to be administered by the Secretary and the Board of Trustees for the amounts of the Trust Fund described in section 1914(c)(1) of the Energy Policy Act of 2002 and this title in accordance with the provisions of this title for the purpose of providing medical and death benefits to eligible retirees and eligible beneficiaries certified as participants in the program under part II.

((PART II--RELIEF AND ASSUMPTION OF LIABILITY, ELIGIBILITY, AND CERTIFICATION

((Sec. 911. Relief and assumption of liability.

((Sec. 912. Qualifying events.

((Sec. 913. Eligibility and certification of eligibility.

((**SEC. 911. RELIEF AND ASSUMPTION OF LIABILITY.**

((a) **IN GENERAL.**--If--

((1) the Secretary certifies under section 912 that there was a qualifying event with respect to a qualified steel company,

((2) the asset transfer requirements of subsection (b) and the contribution requirements of subsection (c) are met with respect to the qualifying event, then the United States shall assume liability, subject to amounts available in the Trust Fund and additional funds made available in appropriations acts, for the provision of steel retiree benefits for each eligible retiree and eligible beneficiary certified for participation in the retiree benefits program under section 913 (and the qualified steel company, any predecessor or successor, and any related person to such company, predecessor, or successor shall be relieved of any liability for the provision of such benefits). The United States shall be treated as satisfying any liability assumed under this subsection if benefits are provided to eligible retirees and eligible beneficiaries under the retiree benefits program provided in part III, and

((3) the qualified steel company and any acquiring company assumes their respective liability to make any contributions required under subsection(c),

then the United States shall assume liability, subject to amounts available in the Trust Fund and additional funds made available in appropriations acts, for the provision of steel retiree benefits for each eligible retiree and eligible beneficiary certified for participation in the retiree benefits program under section 913 (and the qualified steel company, any predecessor or successor, and any related person to such company, predecessor, or successor shall be relieved of any liability for the provision of such benefits). The United States shall be treated as satisfying any liability assumed under this subsection if benefits are provided to eligible retirees and eligible beneficiaries under the retiree benefits program provided in part III.

((b) **REQUIRED ASSET TRANSFERS.--**

((1) **IN GENERAL.--**The requirements of this subsection are met if the qualified steel company and any applicable acquiring company transfer to the Trust Fund all assets, as determined in accordance with rules prescribed by the Secretary, which, under the terms of an applicable collective bargaining agreement, were required to be set aside under an employee benefit plan or otherwise for the provision of the steel retiree benefits the liability for which (determined without regard to this subsection) is relieved by operation of subsection (a). The assets required to be transferred shall not include voluntary contributions, including voluntary contributions made pursuant to a voluntary employees beneficiary association trust, which are in excess of the contributions described in the preceding sentence.

((2) **DETERMINATION.--**The amount of the assets to be transferred under paragraph (1) shall be determined at the time of the certification under section 912 and shall include interest from the time of the determination to the time of transfer. Such amount shall be reduced by any payments from such assets which are made after the determination by the qualified steel company or applicable acquiring company for the provision of steel retiree benefits for which such assets were set aside and the liability for which (determined without regard to this subsection) is relieved by operation of subsection (a).

((c) **CONTRIBUTION REQUIREMENTS.--**

((1) **CONTRIBUTIONS BASED ON OWNERSHIP OF STEELMAKING ASSETS.--**

“(A) IN GENERAL.--If there is a qualifying event certified under section 912 with respect to a qualified steel company--

“(i) the qualified steel company shall assume the obligation to pay, and

“(ii) if the qualified steel company transferred on or after January 1, 2000, any of its steelmaking assets, the qualified steel company and any acquiring company acquiring such assets as part of a qualifying event shall assume the obligation to pay,

to the Trust Fund for each of the years in the period beginning on the date of the qualifying event its ratable share of the amount determined under subparagraph (B) with respect to the steelmaking assets owned by such company or person.

“(B) AMOUNT OF LIABILITY.--

“(i) IN GENERAL.--The amount required to be paid under subparagraph (A) for any year

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shall be equal to \$6 per ton of products described in section 901(b)(1)(A) attributable to the steelmaking assets which are subject to the qualifying event. If 2 or more persons own steelmaking capacity or assets, the liability under this clause shall be allocated ratably on the basis of their respective ownership interests. The determination under this clause for any year shall be made on the basis of shipments during the calendar year preceding the calendar year in which such year begins. In the event the cost of the program is reduced the amount paid by qualified steel companies per ton of products described in 901(b)(1)(A) shall be reduced by the same percentage.

“(ii) REDUCTIONS IN LIABILITY.--The amount of any liability under clause (i) for any year shall be reduced by the amount of any assets transferred to the Trust Fund under subsection (b), reduced by any portion of such amount applied to a liability for any preceding year. If 2 or more persons are liable under subparagraph (A) with respect to any qualifying event, the reduction under clause (i) shall be allocated ratably among such persons on the basis of their respective liabilities or in such other manner as such persons may agree.

“(2) FASB LIABILITY IN CASE OF CERTAIN QUALIFYING EVENTS.--

“(A) IN GENERAL.--If there is a qualifying event (other than a qualified acquisition) with respect to a qualified steel company, then, subject to the provisions of subparagraphs (C) and (D), the qualified steel company shall be liable for payment to the Trust Fund of the amount determined under subparagraph (B). If a qualified acquisition occurs after another qualifying event, such other qualifying event shall be disregarded for purposes of this paragraph.

“(B) AMOUNT OF LIABILITY.--The amount determined under this subparagraph shall be equal to the excess (if any) of--

“(i) the amount determined under the Financial Accounting Standards Board Rule 106 as being equal to the present value of the steel retiree benefits of eligible retirees and beneficiaries of the qualified steel company the liability for which (determined without regard to any modification pursuant to section 1114 of title 11, United States Code) is relieved under subsection (a), over

“(ii) the sum of--

“(I) the value of the assets transferred under subsection (b) with respect to the retirees and beneficiaries, and

“(II) the present value of any payments (other than payments determined under this subparagraph) to be made under this subsection with respect to steelmaking assets of the qualified steel company.

“(C) **DISCHARGES IN BANKRUPTCY.**--The amount of any liability under subparagraph (B) shall be reduced by the portion of such liability which, in accordance with the provisions of title 11, United States Code, is discharged in any bankruptcy proceeding.

“(D) **NO LIABILITY IF INDUSTRY-WIDE ELECTION MADE.**--If a qualifying event occurs by reason of a qualified election under section 912(d)(2)(B), then--

“(i) any liability that arose under this paragraph for any qualifying event occurring before such election is extinguished (and any payment of such liability shall be refunded from the Trust Fund with interest), and

“(ii) this paragraph shall not apply to the qualifying event occurring by reason of such election or any subsequent qualifying event.

“(3) **JOINT AND SEVERAL LIABILITY.**--Any related person of any person liable for any payment under this subsection shall be jointly and severally liable for the payment.

“(4) **TIME AND MANNER OF PAYMENT.**--The Secretary shall establish the time and manner of any payment required to be made under this subsection, including the payment of interest.

SEC. 912. QUALIFYING EVENTS.

“(a) **IN GENERAL.**--For purposes of this title, the term ‘qualifying event’ means any--

“(1) qualified acquisition,

“(2) qualified closing,

“(3) qualified election, and

“(4) qualified bankruptcy transfer.

“(b) **QUALIFIED ACQUISITION.**--For purposes of this title, the term ‘qualified acquisition’ means any arms'-length transaction or series of related transactions--

“(1) under which a person (whether or not a qualified steel company) acquires by purchase, merger, stock acquisition, or otherwise all or substantially all of the steelmaking assets held by the qualified steel company as of January 1, 2000, and

“(2) which occur on and after January 1, 2000, and before the date which is 2 years after the date of the enactment of this title.

Such term shall not include any acquisition by a related person.

“(c) **QUALIFIED CLOSING.**--For purposes of this title--

“(1) **IN GENERAL.**--The term ‘qualified closing’ means--

“(A) the permanent cessation on or after January 1, 2000, and before January 1, 2004, by a qualified steel company operating under the protection of chapter 11 or 7 of title 11, United States Code, of all activities described in subparagraph (A) or (B) of paragraph (1) of section 901(b), or

“(B) the transfer on or after January 1, 2000, and before January 1, 2004, by a qualified steel company operating under the protection of chapter 11 or 7 of title 11, United States Code, of all or substantially all of its steelmaking assets to 1 or more persons other than related persons in an arms'-length transaction or series of related transactions which do not constitute a qualified acquisition.

“(2) **COMPANIES IN IMMINENT DANGER OF CLOSURE.**--A qualified closing of a qualified steel company operating under the protection of chapter 11 or 7 of title 11, United States Code, shall be treated as having occurred if the company--

“(A) meets the acquisition effort requirements of paragraph (3),

“(B) establishes to the satisfaction of the Secretary that--

“(i) it is in imminent danger of becoming a closed company, or

“(ii) in the case of a company operating under protection of chapter 11 of title 11, United States Code, it is unable to reorganize without the relief provided under this title, and

“(C) elects, in such manner as the Secretary prescribes, at any time after the date of the enactment of this title and before the date which is 2 years after the date of the enactment of this title, to avail itself of the relief provided under this title.

“(3) ACQUISITION EFFORT REQUIREMENTS.--

“(A) IN GENERAL.--The requirements of this paragraph are met by a qualified steel company if--

“(i) the company files with the Secretary within 10 days of the date of the enactment of this title--

“(I) a notice of intent to be acquired, and

“(II) a description of the actions the company will undertake to have its steelmaking assets acquired in a qualified acquisition, and

“(ii) the company at all times after the filing under clause (i) and the date which is 2 years after the date of the enactment of this title (or, if earlier, the date on which the requirement of paragraph (2)(B) is satisfied) makes a continuing, good faith effort to have its steelmaking assets acquired in a qualified acquisition.

“(B) GOOD FAITH EFFORT.--A continuing, good faith effort under subparagraph (A)(ii) shall include--

“(i) the active marketing of a company's steelmaking assets through the retention of an investment banker, the preparation and distribution of offering materials to prospective purchasers, allowing due diligence and investigatory activities by prospective purchasers, the active and good faith consideration of all expressions of interest by prospective purchasers, and any other affirmative action designed to result in a qualified acquisition of a company's steelmaking assets, and

“(ii) a demonstration to the Secretary by the company that no bona fide and fair offer which would have resulted in a qualified acquisition of the company's steelmaking assets has been unreasonably refused.

“(d) QUALIFIED ELECTION.--For purposes of this title--

“(1) IN GENERAL.--The term ‘qualified election’ means an election by a qualified steel company operating under the protection of chapter 11 or 7 of title 11, United States Code, meeting the acquisition effort requirements of subsection (c)(3) to transfer its obligations for steel retiree benefits to the retiree benefit program. Such an election shall be made not earlier than the date which is 2 years after the date of the enactment of this title, and in such manner as the Secretary may prescribe.

“(2) INDUSTRY-WIDE ELECTION.--Notwithstanding paragraph (1), a qualified election shall be treated as having occurred with respect to a qualified steel company (whether or not operating under the protection of chapter 11 or 7 of title 11, United States Code) if--

“(A) the Secretary determines that at least 200,000 eligible retirees and beneficiaries have been certified under section 913 for participation in the retiree benefits program, and

“(B) the qualified steel company elects to avail itself of the relief provided under this title on or after the date of the determination under subparagraph (A).

“(e) **QUALIFIED BANKRUPTCY TRANSFER.**--For purposes of this title, the term ‘qualified bankruptcy transfer’ means any transaction or series of transactions--

“(1) under which the qualified steel company, operating under the protection of chapter 11 or 7 of title 11, United States Code, transfers by any means (including but not limited to a plan of reorganization) its control over at least 30 percent of the production capacity of its steelmaking assets to 1 or more persons which are not related persons of such company,

“(2) which are not part of a qualified acquisition or qualified closing of a qualified steel company, and

“(3) which occur on and after January 1, 2000, and before January 1, 2004.

“(f) **CERTIFICATION.**--

“(1) **IN GENERAL.**--The Secretary shall certify a qualifying event with respect to a qualified steel company if the Secretary determines that the requirements of this title are met with respect to such event and that the asset transfer and contribution requirements of section 911 will be met.

“(2) **TIME FOR DECISION.**--The Secretary shall make any determination under this subsection as soon as possible after a request is filed (and in the case of a request for certification as a qualified acquisition filed at least 60 days before the proposed date of the acquisition, before such proposed date).

“(3) **ELIGIBILITY TO FILE REQUEST.**--A request for certification under this subsection may be made by the qualified steel company

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or any labor organization acting on behalf of retirees of such company.

“**SEC. 913. ELIGIBILITY AND CERTIFICATION.**

“(a) **RETIREES.**--

“(1) **IN GENERAL.**--Any individual who is a retiree of a qualified steel company with respect to which the Secretary has certified under section 912 that a qualifying event has occurred shall be treated as an eligible retiree for purposes of this title if--

“(A) the individual was receiving steel retiree benefits under an employee benefit plan described in section 901(a)(2)(A) as of the date of the qualifying event, or

“(B) the individual was eligible to receive such benefits on such date but was not receiving such benefits because the plan ceased to provide such benefits.

“(2) **CERTAIN INDIVIDUALS INCLUDED.**--An individual shall be treated as an eligible retiree under paragraph (1) if the individual--

“(A) was an employee of the qualified steel company before a qualified acquisition,

“(B) became an employee of the acquiring company as a result of the acquisition, and

“(C) voluntarily retires within 3 years of the acquisition.

“(b) **BENEFICIARIES.**--An individual shall be treated as an eligible beneficiary for purposes of this title if the individual is the spouse, surviving spouse, or dependent of an eligible retiree (or an individual who would have been an eligible retiree but for the individual's death before the date of the qualifying event).

“(c) **CERTIFICATION OF ELIGIBLE RETIREES AND BENEFICIARIES.**--

“(1) **IN GENERAL.**--The Board of Trustees shall certify an individual as an eligible retiree or eligible beneficiary if the individual meets the requirements of this section.

“(2) **ELIGIBILITY TO FILE REQUEST.**--A request for certification under this subsection may be filed by any individual seeking to be certified under this subsection, the qualified steel company, an acquiring company, a labor organization acting on behalf of retirees of such company, or a committee appointed under section 1114 of title 11, United States Code.

“(d) **RECORDS.**--A qualified steel company, an acquiring company, and any successor in interest shall on and after the date of the enactment of this title maintain and make available to the Secretary and the Board of Trustees, all records, documents, and materials (including computer programs) necessary to make the certifications under this section.

PART III--PROGRAM BENEFITS

“Sec. 921. Program benefits.

“**SEC. 921. PROGRAM BENEFITS.**

“(a) **GENERAL RULE.**--Each eligible retiree and eligible beneficiary who is certified for participation in the retiree benefits program shall be entitled subject only to amounts available in the Trust Fund and additional funds made available in appropriations acts--

“(1) to receive health care benefits coverage described in subsection (b), and

“(2) in the case of an eligible retiree, payment of \$5,000 death benefits coverage to the beneficiary of the retiree upon the retiree's death.

“(b) HEALTH CARE BENEFITS COVERAGE.--

“(1) IN GENERAL.--The Board of Trustees shall establish health care benefits coverage under which eligible retirees and beneficiaries are provided benefits for health care items and services that are substantially the same as the benefits offered as of January 1, 2002, under the Blue Cross/Blue Shield Standard Plan provided under the Federal Employees Health Benefit Program under chapter 89 of title 5, United States Code, to Federal employees and annuitants. In providing the benefits under such program, the secondary payer provisions and the provisions relating to benefits provided when an individual is eligible for benefits under the medicare program under title XVIII of the Social Security Act that are applicable under such Plan shall apply in the same manner as such provisions apply to Federal employees and annuitants under such Plan.

“(2) CONTRACTING AUTHORITY.--The Board of Trustees shall have the authority to enter into such contracts as are necessary to carry out the provisions of this subsection, including contracts necessary to ensure adequate geographic coverage and cost control. The Board of Trustees may use the authority under this subsection to establish preferred provider organizations or other alternative delivery systems.

“(3) PREMIUMS, DEDUCTIBLES, AND COST SHARING.--The Board of Trustees of the Trust 15 Fund shall establish premiums, deductibles, and cost sharing for eligible retirees and beneficiaries provided health care benefits coverage under paragraph (1) which are substantially the same as those required under the Blue Cross/Blue Shield Standard Plan described in paragraph (1).

“Subtitle C.--Conservation, Jobs, and Steel Reinvestment Trust Fund

“SEC. 931. CONSERVATION, JOBS AND STEEL REINVESTMENT TRUST FUND.

“(a) TRANSFERS TO THE CONSERVATION, JOBS AND STEEL REINVESTMENT TRUST FUND.--

“(1) IN GENERAL.--There are appropriated to the Trust Fund established in section 1914 of the Energy Policy Act of 2002 amounts equivalent to--

“(A) tariffs on steel mill products received in the Treasury under title II of this Act,

“(B) amounts received in the Treasury from asset transfers and contributions under section 911,

“(C) amounts credited to the Trust Fund under section 9602(b) of the Internal Revenue Code of 1986,

“(D) the premiums paid by retirees under the program; and

“(E) bonus bids and rents, royalties and payments from the production of oil deposited pursuant to section 1914(b) and (c)(1) of the Energy Policy Act of 2002.

“(2) **AUTHORIZATION OF APPROPRIATIONS.**--There is authorized to be appropriated to the Trust Fund each fiscal year an amount equal to the excess (if any) of--C

“(A) expenditures from the amounts in the Trust Fund for the fiscal year, over

“(B) the assets of the Trust Fund for the fiscal year without regard to this paragraph.

“(b) **EXPENDITURES.**--Amounts in the Trust Fund described in section 1914(c)(1) of the Energy Policy Act of 2002 and this section shall be available only for purposes of making expenditures--

“(1) to meet the obligations of the United States with respect to liability for steel retiree benefits transferred to the United States under this title, and

“(2) incurred by the Secretary and the Board of Trustees in the administration of this title.

“(c) **BOARD OF TRUSTEES.**--

“(1) **IN GENERAL.**--Amounts in the Trust Fund described in section 1914(c)(1) of the Energy Policy Act of 2002 and this section and the retiree benefits program shall be administered by a Board of Trustees, consisting of--

“(A) 2 individuals designated by agreement of the 5 qualified steel companies which, as of the date of the enactment of this title--

“(i) are conducting activities described in subparagraph (A) or (B) of section 901(b)(1), and

“(ii) have the largest number of retirees, and

“(B) 2 individuals designated by the United Steelworkers of America in consultation with the Independent Steelworkers Union, and

“(C) 3 individuals designated by individuals designated under subparagraphs (A) and (B).

“(2) **DUTIES.**--Except for those duties and responsibilities designated to the Secretary, the Board of Trustees shall have the responsibility to administer the amounts in the Trust Fund described in section 1914(c)(1) of the Energy Policy Act of 2002 and this section and the retiree benefits program, including--

“(A) enrolling eligible retirees and beneficiaries under the program,

“(B) procuring the medical services to be provided under the program,

“(C) entering into contracts, leases, or other arrangements necessary for the implementation of the program,

“(D) implementing cost-containment measures under the program,

“(E) collecting revenues and enforcing claims and rights of the program,

“(F) making disbursements as necessary under the program, and

“(G) acquiring and maintaining such records as may be necessary for the administration and implementation of the program.

“(3) **REPORT.**--The Board of Trustees report to Congress each year on the financial condition and the results of the operations of the retiree benefits program during the preceding fiscal year and on its expected condition and operations during the next 2 fiscal years. Such report shall be printed as a House document of the session of Congress to which the report is made.

“(d) **TRANSFER INVESTMENT OF ASSETS.**--Sections 9601 and 9602(b) of the Internal Revenue Code of 1986 shall apply to the amounts in the Trust Fund described in section 1914(c)(1) of the Energy Policy Act of 2002 and in this section.”.