



Multiple Use Issues on the Outer Continental Shelf

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Capitol Hill Oceans Week – June 9, 2004



Who is MMS?

The Minerals Management Service manages the mineral resources on the Outer Continental Shelf and Federal and Indian mineral revenues to enhance public and trust benefit, promote responsible use, and realize fair value.





MMS

- Manage mineral resource development on the OCS
 - 30% of Nation's oil production
 - 23% of Nation's natural gas production
- Total OCS – 1.76 billion acres
- Active leases – 42 million acres
 - Over 7,800 leases
 - Over 4,000 facilities
- Environmental science
 - Over \$ 750 million in environmental studies





MMS

- Economic benefits from MMS programs to Federal and State governments and Indians have exceeded \$135 billion:
 - \$85 billion to Treasury
 - \$19 billion to Land & Water Conservation Fund
 - \$3 billion to Historic Preservation Fund
 - \$9 billion to Reclamation Fund
 - \$15 billion to 38 States
 - \$4 billion to 41 Tribes and 30,000 individual American Indians

U.S. Commission on Ocean Policy

“.... the current OCS leasing and development program is one that is, on balance, coherent and reasonably predictable. Although the comprehensiveness of the program has not precluded the political battles noted above nor avoided restrictions on leasing in frontier areas, in those areas of the nation where offshore development is accepted, the internal administrative process is well known and understood by those who invest in offshore leases and those who choose to observe and comment on such activity....

Although a number of different variables have to be taken into consideration in crafting a regime for other ocean uses, the scope and comprehensiveness of the OCS oil and gas program can be a model for the management of a wide variety of offshore activities “

OCS Oil and Gas -- Process

■ Principles

- Detailed planning
- Publicly available information at every stage
- Consultation with affected parties
- Environmental protection
- Economic competition
- Terms and conditions known prior to lease issuance

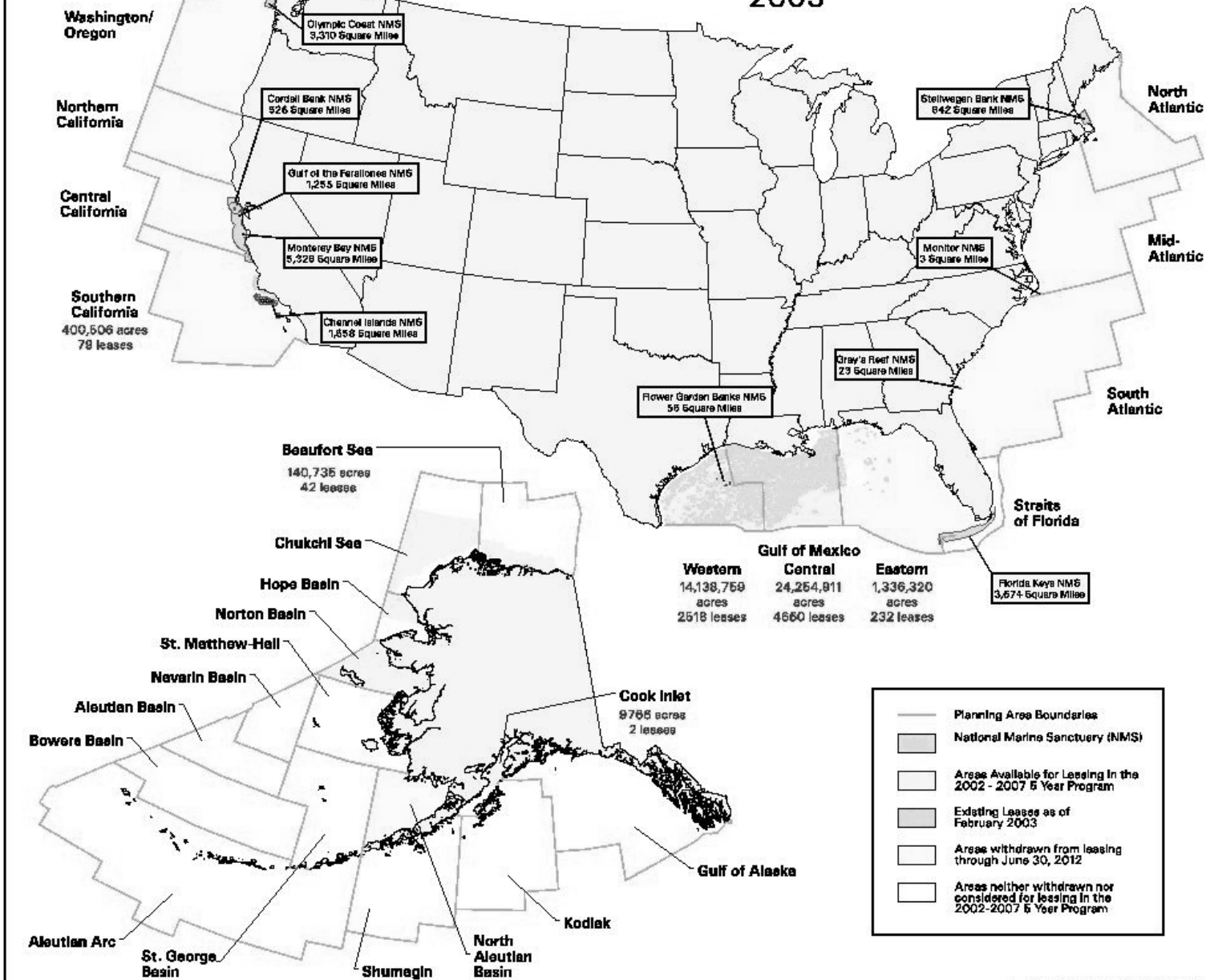
OCS Oil & Gas -- Oversight

■ Regulatory Principles

- Predictable
- Timely
- Transparent
- Flexible



Status of Federal OCS Leasing Program 2003



OCS Sand and Gravel Program



Provides policy direction for the development of marine mineral resources on the OCS

Collects and provides geologic and environmental information, developed through partnerships with 14 coastal States



Identifies and makes available OCS sand deposits suitable for beach nourishment and wetlands protection projects

Cooperative Efforts with States

OCS Sand & Gravel Program



Federal Sand Conveyed

Since 1995, MMS conveyed about 20 million cubic yards of OCS sand for 14 projects in 5 states

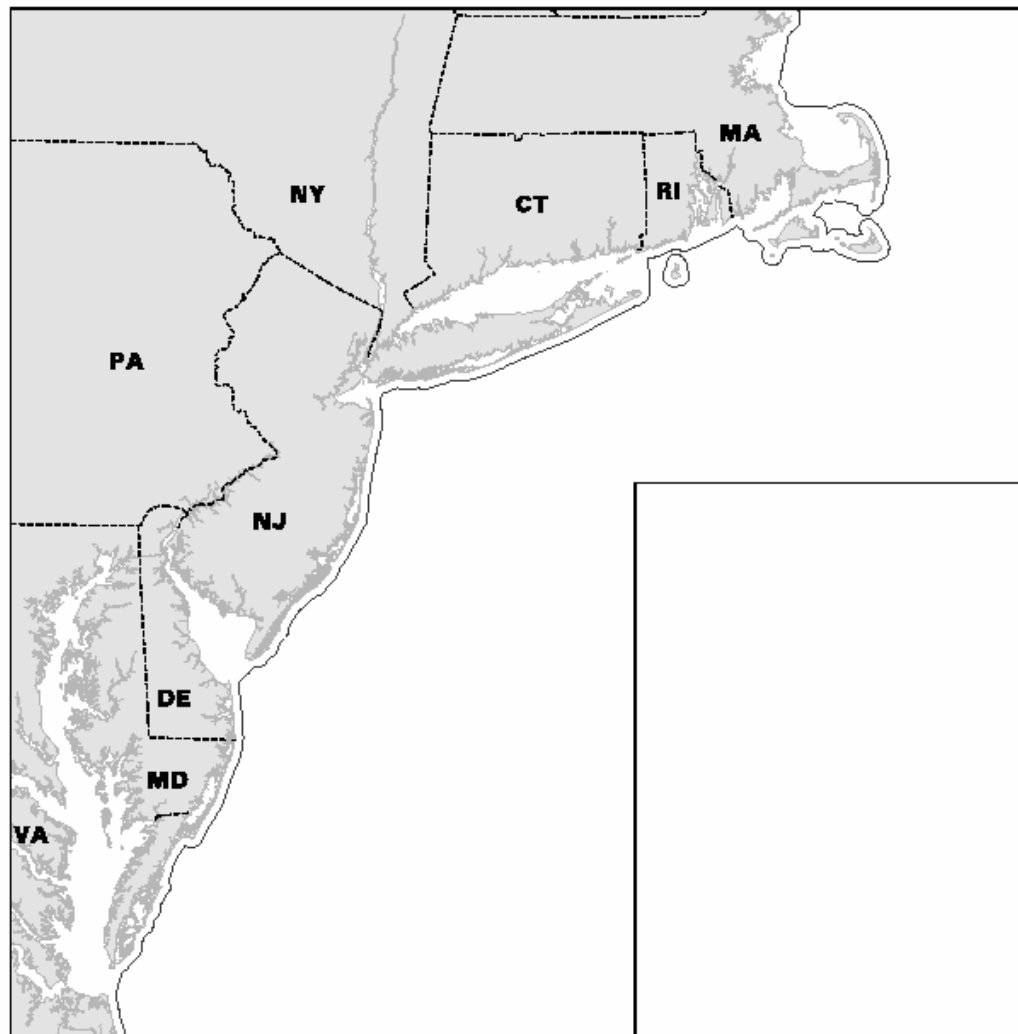
<i>State</i>	<i>Locality</i>	<i>Sand (cubic yards)</i>
§ FLORIDA	Jacksonville (Duval County)	1,240,000
§ SOUTH CAROLINA	Myrtle Beach (Surfside)	150,000
§ VIRGINIA	Dam Neck Naval Facility	808,000
§ VIRGINIA	Dam Neck Naval Facility	700,000
§ VIRGINIA	Sandbridge Beach	1,100,000
§ VIRGINIA	Sandbridge Beach	2,000,000
§ MARYLAND	Assateague National Seashore	134,000
§ MARYLAND	Assateague National Seashore	2,000,000
§ MARYLAND	Assateague State Park	100,000
§ FLORIDA	Brevard County – North	4,500,000
§ FLORIDA	Brevard County – South	2,800,000
§ FLORIDA	Patrick Air Force Base	600,000
§ LOUISIANA	Holly Beach	4,200,000

The Multiple Use Challenge

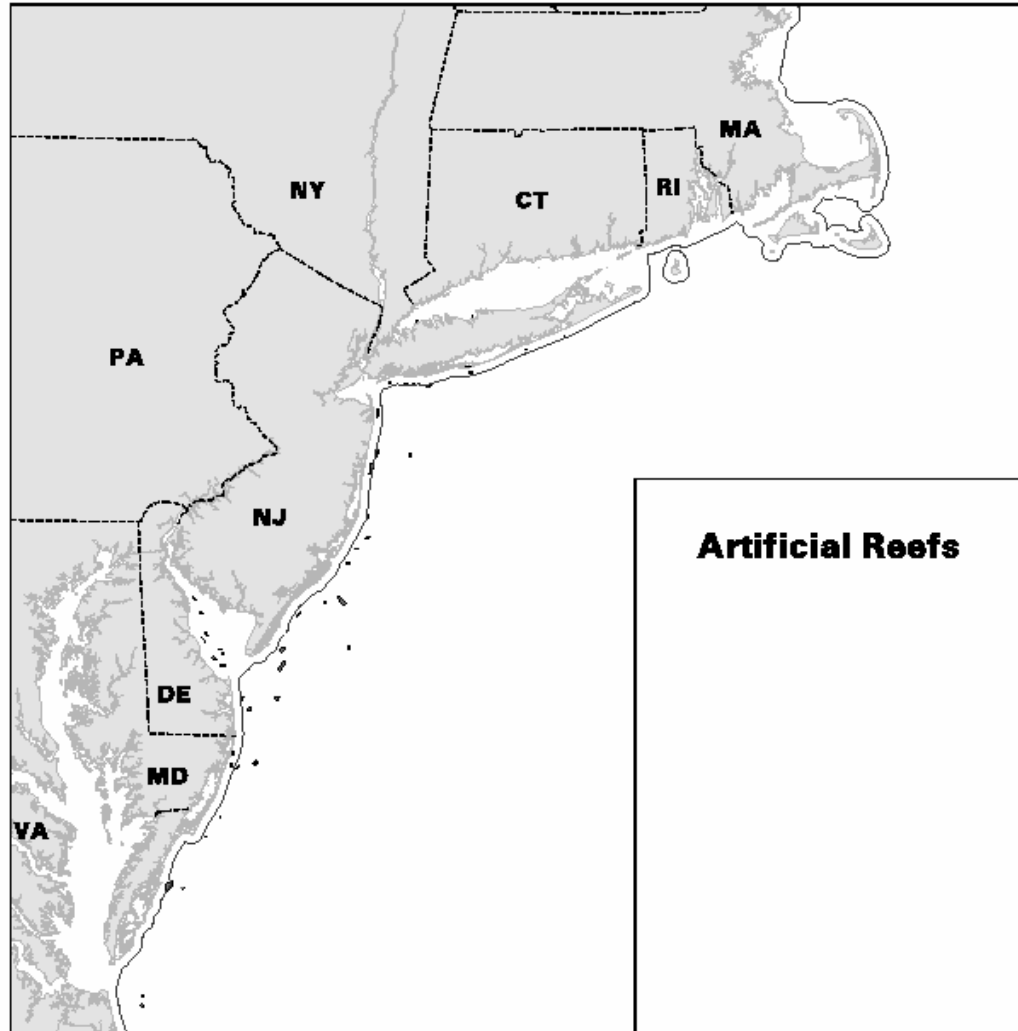
- Growing number of uses compete for limited space:
 - OCS oil and gas program
 - Liquid natural gas (LNG) ports
 - Aquaculture
 - Wind and other renewable energy power projects
 - Sand and gravel
 - Fiber optic cables
 - Commercial & Sport Fishing
 - Shipping



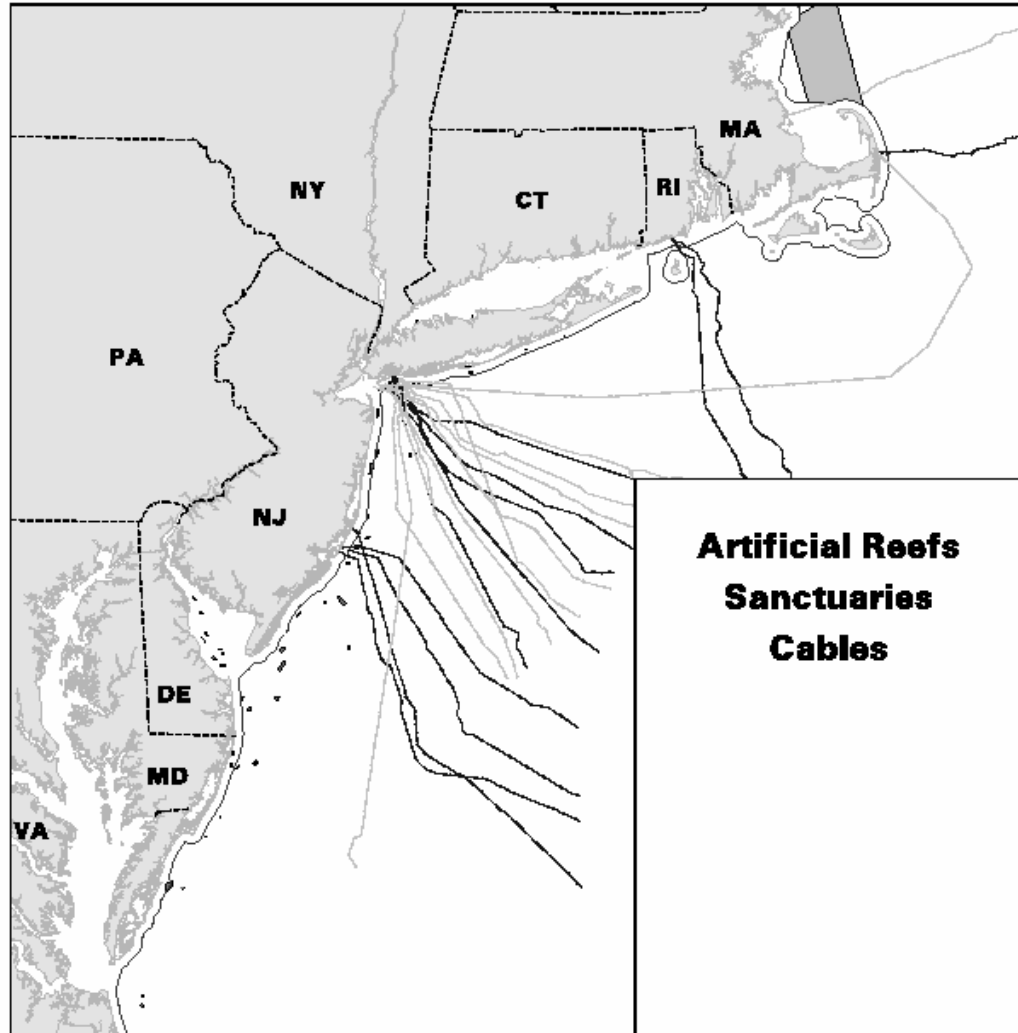
The Multiple Use Challenge



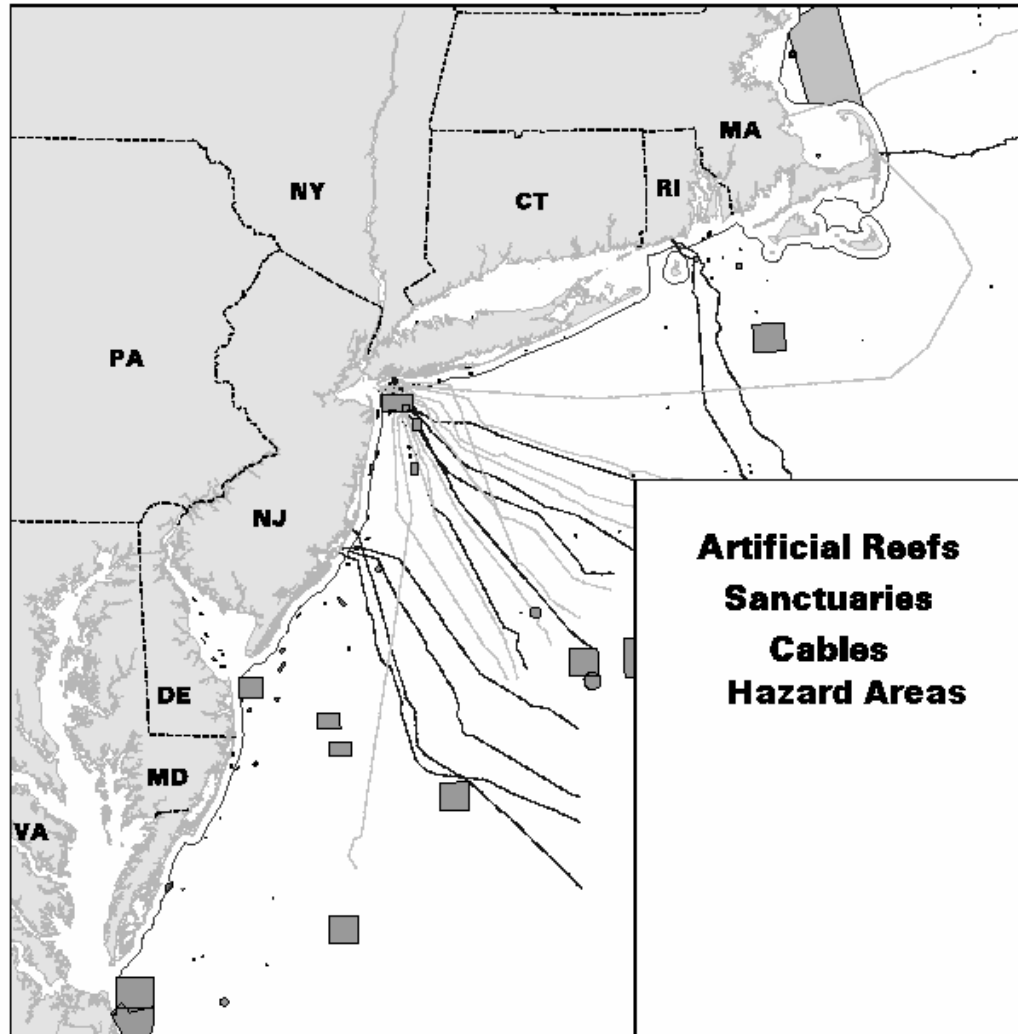
The Multiple Use Challenge



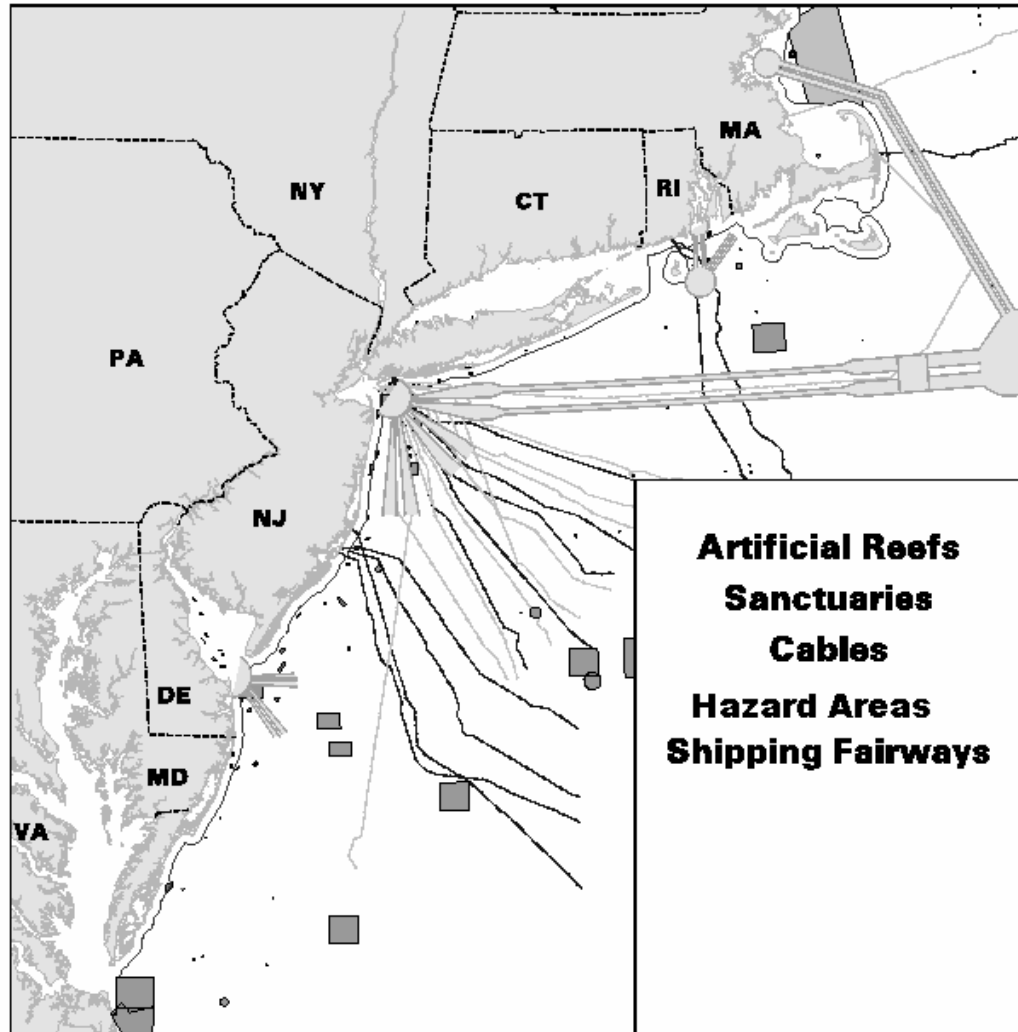
The Multiple Use Challenge



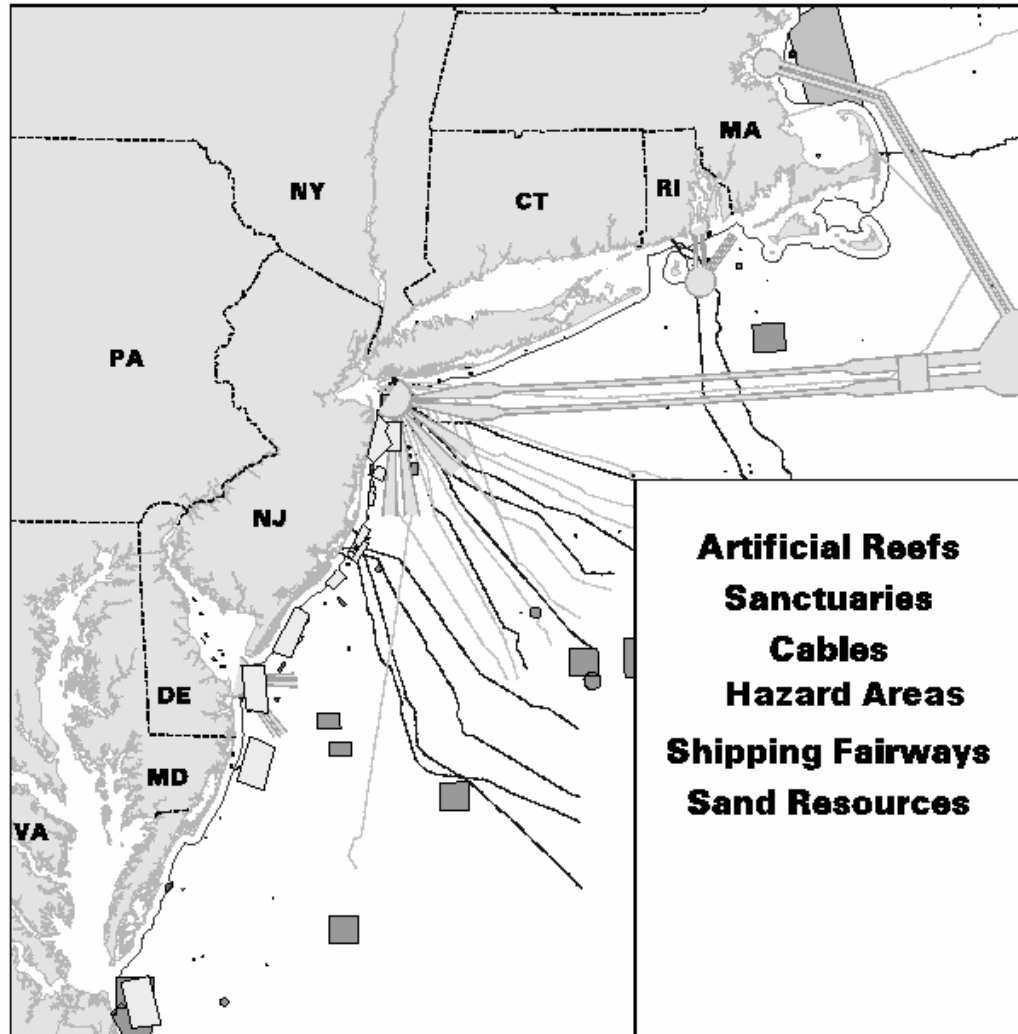
The Multiple Use Challenge



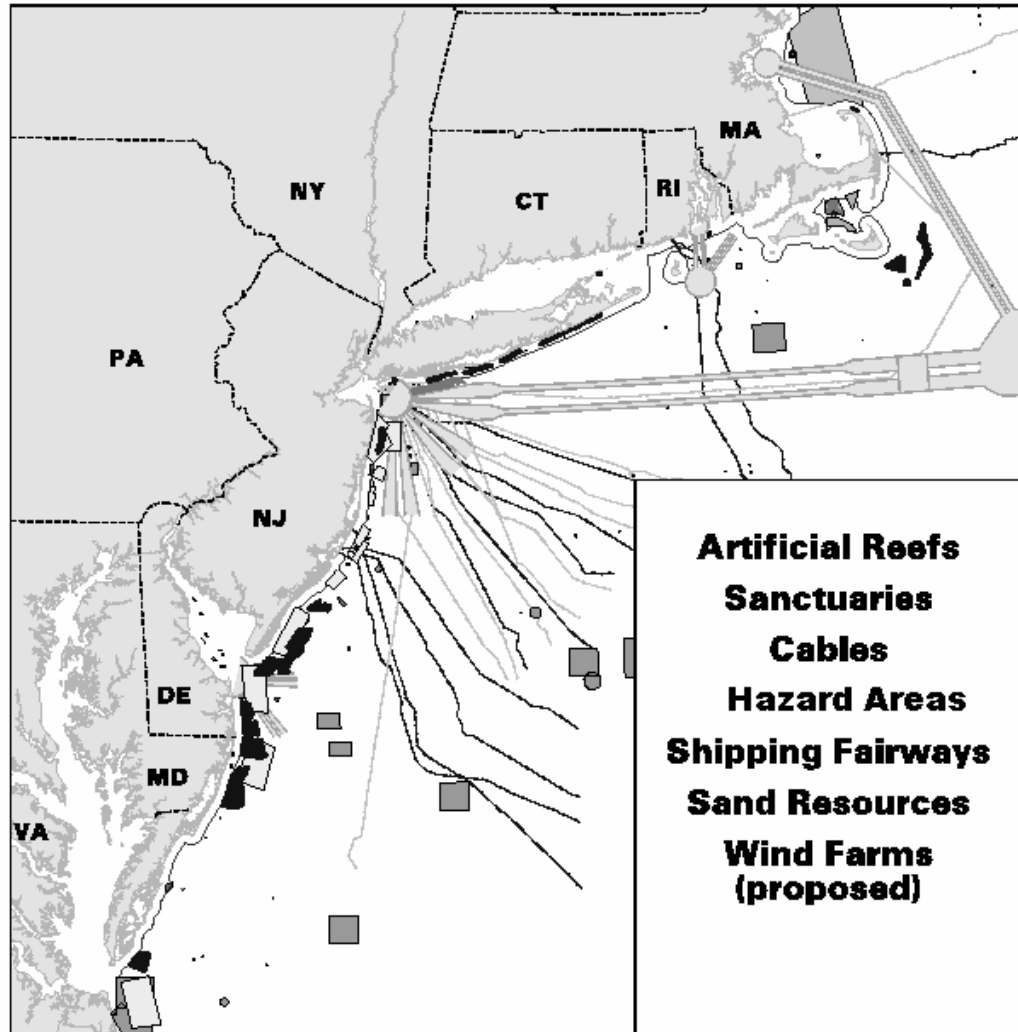
The Multiple Use Challenge



The Multiple Use Challenge



The Multiple Use Challenge



OCS - LNG ports & oil and gas

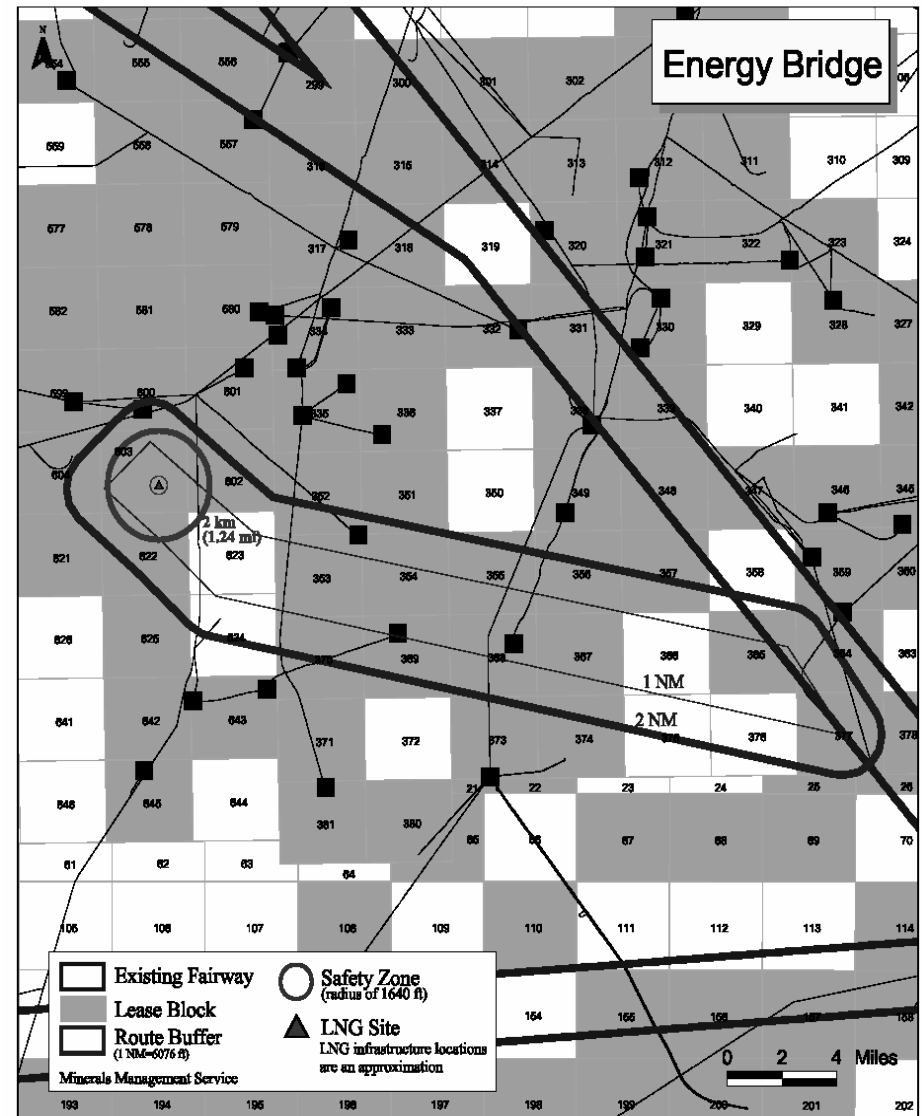
■ North America - 30 LNG port proposals on the board

- 8 ports in Gulf of Mexico
- 2 approved: - Port Pelican, Energy Bridge

■ MARAD - Licensing agency

■ U.S. Coast Guard - NEPA

■ MMS - Fair market value



New Issue: Converting Platforms to Other Uses

Potential Uses for existing facilities

- LNG regasification
- Urgent medical care facility
- Wind Power generation
- Oil and gas industry supply and staging area
- Subsea storage of natural gas or other substances
- Desalinization plant
- Aquaculture
- Recreation – fishing or diving camps
- Scientific research
- Etc.

Converting Platforms to Other Uses

- MMS existing responsibilities
 - Financial solvency
 - Liability
 - Safe operations
 - Environmental protection
- If other uses are authorized, who is responsible?



Growing number of permitting agencies

- Army Corps of Engineers
- Coast Guard
- Environmental Protection Agency
- Federal Communications Commission
- Maritime Administration
- Minerals Management Service
- National Oceanic and Atmospheric Administration

MMS is Committed

- Basing our management on strong science
- Cooperating, coordinating, and collaborating with others to effectively manage OCS resources
- Improving our understanding of ocean ecosystems to make the best OCS resource management decisions

Administration's Proposed Legislation

- Proposed legislation authorizes DOI to:
 - Grant easements and rights-of-way for alternative energy-related uses on the OCS
 - Act as the lead agency for coordinating the permitting process
 - Regulate and monitor facilities used for alternative energy
 - Ensure consultation with States and other stakeholders



Conclusion

- MMS will continue to contribute to meeting the multiple use “challenge”
 - Primary Federal agency overseeing development of our Nation’s energy resources in the OCS
 - Unparalleled experience in multiple-use land management
 - Routinely makes decisions to balance economic activities with the need to protect the environment
 - Environmental and engineering expertise and research
 - Regulatory expertise
 - Trained facility inspection workforce
 - Established working relationships with State, Federal and international regulators