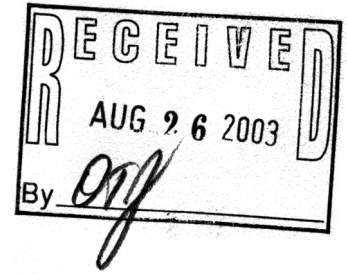




OFFSHORE OPERATORS COMMITTEE

August 25, 2003

David Kaiser
Federal Consistency Coordinator, Coastal Programs Division
Office of Ocean and Coastal Resource Management
NOAA
1305 East-West Highway, 11th Floor
Silver Spring, MD 20910



SUBJECT: COASTAL ZONE MANAGEMENT ACT FEDERAL CONSISTENCY
REGULATIONS FR VOL. 68, NO. 112 JUNE 11, 2003

Dear Mr. Kaiser:

The Offshore Operators Committee (OOC) is an organization of some 63 operating companies who conduct essentially all of the offshore oil and gas exploration and production activities in the Gulf of Mexico. Additionally, we have some 55 companies as associate members who are non-producers and supply services such as transportation, contract engineering or consulting, drilling, well and other services. The following comments made on behalf of the OOC are provided without prejudice to an individual member.

OOC supports the Congressional intent of the Coastal Zone Management Act (CZMA) of 1972, which created a national program to manage and balance competing uses of, and impacts to, coastal resources and to provide the opportunity for states to comment on such impacts. Balanced and multiple use of our coastal areas is more important than ever as we seek to develop our domestic energy supplies (especially clean-burning natural gas) and diversify other sources of energy (such as receiving facilities for liquefied natural gas), while continuing to protect the environment.

Oil and natural gas are major drivers of our economy – creating jobs, generating revenue for both federal and state governments and serving as the foundation for economic growth. U.S. offshore wells supplied more than 25 percent of the country's natural gas production and more than 30 percent of total domestic oil production (Source: U.S. Department of the Interior, Minerals Management Service, 2002). And, offshore production is likely to continue to play a substantial role in providing the oil and gas needed to meet future demand. It is estimated that 60 percent of the oil and 59 percent of the gas yet to be discovered in the United States are located on the OCS.

Through this rulemaking, NOAA has recognized that improvements can be made to the consistency review process that it implements and we applaud this action. In this rulemaking, NOAA responds to the comments submitted to the advanced notice of proposed rulemaking as well as makes several important rule changes that are intended to clarify and provide greater transparency and predictability to the federal consistency

regulations. These regulations have significant impact on the operations of the oil and natural gas industry and ability to provide supplies to the nation's homes and businesses.

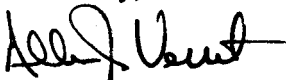
OOO appreciates NOAA's efforts to make this very complex federal consistency process more predictable for individual permittees and to provide clearer guidance for states. OOC believes that several additional changes are needed to the proposed rule if the rulemaking is to achieve its goal of providing "greater transparency and predictability to the Federal Consistency regulations."

- Guarantee that closure of the record in appeal decisions is governed by a definitive deadline that cannot be extended indefinitely by the Secretary for receipt of NEPA and ESA documents. OOC recommends that 120 – 180 days for the closure of the record is sufficient. As our comments discuss, the data generated for review by MMS prior to lease sale is comprehensive and additional environmental reviews are not necessary.
- Require states to specify information needs at the beginning of the consistency process through their state CZM programs or in Memorandums of Understanding with MMS, where appropriate.
- Clearly address how National Energy Policy Directives and Presidential Executive Orders on permit streamlining and actions affecting energy projects will be incorporated into the CZMA review process.

The importance of such changes has been detailed in comments from the oil and gas industry, such as those filed by the American Petroleum Institute (API), and we support their comments.

If we are to revive our economy and enhance our energy security, it is more important than ever that we honor Congress' original intent, as expressed in the Outer Continental Shelf Lands Act, to ensure expedited review for the siting of major energy facilities. The Department of Commerce has taken some crucial steps in this direction in its proposed rule, but additional action (as outlined above) is needed if we are to secure the nation's energy and economic future.

Sincerely,



Allen J. Verret

Executive Director

Offshore Operators Committee

CC: Mr. Jim Zernell, Chairman OOC

Mr. Kent Satterlee, Chairman OOC Environmental S/C