Developing an Offshore Industry

National Ocean Industries Association

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President

www.noia.org
Offshore Energy: Source of Jobs and Economic Development

– In the Gulf of Mexico, oil and gas activities on the OCS directly employ 85,000 people.

– Indirectly, OCS activity accounts for an additional 85,000 support jobs, many from small business vendors.

– These are good jobs: wages in the oil & natural gas industry are 30% higher than average income.

– These are safe jobs: Government statistics show that the injury and illness rate for offshore workers is about 70 percent lower than all of private industry.
Offshore Energy: Safe for Employees and the Environment

- Enviable Record of Environmental Performance
- Continuous improvements in safety and environmentally sensitive operations
- MMS conducts 12,000 inspections annually

![Petroleum in American Waters](source: National Academy of Science)
Current OCS management regime for oil and natural gas offers a model for Federal/Regional partnerships:

- Current system calls for multiple periods of public input, including from states.
- Regions can coordinate their responses to impact the Federal decision-making process.
Phase 1:
Preparation of the MMS 5-Year Plan

- Solicit Comments
- Publish Draft Proposed Program
- Publish Proposed Program
- Draft EIS
- Release Proposed Final Program
- Final EIS
- Release Final 5-Year Program

- 45-day comment period
- 60-day comment period
- 90-day comment period
- 60-day waiting period
- 18–24 months
Phase 2: Specific Lease Sale Process

1. Call for Information
2. Define Sale Area
3. Draft EIS
4. Final EIS
5. Consistency Determination to States
6. Proposed Notice of Sale
7. Notice of Sale
8. Public Lease Sale Auction
9. Leases Issued

- 45-Day Comment Period
- 30-Day Comment Period
- 45-Day Comment Period
- 90-Day Review
- 18—24 months
- 60-Day Comment Period
- 30-day Pre-Decision Period

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Phase 3: Exploration Plan Preparation

- Exploration Plan Submitted
- Environmental Assessment
- Coastal Zone Management Review
- Exploration Plan Approved

12–24 months

90-day Coastal Zone Management Review Period

- Application for Permit to Drill
- Permits Granted
- Exploration Drilling Begins
- Exploration Well Completed
- Delineation Drilling
Phase 4: Development and Production Planning

1. Development and Production Plan
2. CZM Consistency Review Starts
3. Draft EIS Published
4. 90-Day Comment Period
   - Final EIS Published
      - CZM Consistency Obtained
      - Development and Production Plan Approved
        - Production Well Application
          - First Production
Offshore Energy as a Model for Regional Cooperation

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