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MMS SEEKS COMMENTS ON OFFSHORE POLICY OPTIONS
(#50032)

The U.S. Department of the Interior's Minerals Management Service (MMS) is seeking comments on a number of policy options for the Outer Continental Shelf (OCS) natural gas and oil program, MMS officials announced today.

A Call for Comment on Proposed Policy Options and Announcement of Related Workshop was published in today's Federal Register. It's part of the continuing re-assessment of leasing policies for the Central and Western Gulf of Mexico announced in the December 7, 1993 Federal Register. Additionally, the review has been expanded to include MMS policies affecting tracts already under lease.

"We are taking the initiative to sit down with all our constituents to determine if there are any modifications we can make to current MMS policies that will help us do a better job in offshore management," said MMS Director Cynthia Quarterman, "We are particularly interested in hearing how we can: 1) help slow expected declines in infrastructure and production in producing areas, 2) promote environmentally-sound development of infrastructure in other promising areas such as deep water, and 3) continue to assure receipt of fair market value on OCS leases for taxpayers.

"To help us answer these questions, we're looking to States, local governments, other federal agencies, the oil and gas industry and environmental groups to participate in the decisionmaking process," she said. "No major policy changes would be made until we've consulted with all affected parties; and, no changes would affect our high environmental and safety standards."

Options under consideration include:

- publication of more specific interpretive guidelines for the treatment of applications for royalty relief;
- more flexible royalty terms on some new leases;
- increased flexibility to respond to requests for extensions in lease terms;

- modified rental and minimum bid policies;
- revised bid adequacy procedures; and
- coastal impact assistance.

"If MMS decides to adopt any of these proposals, I would like the changes to be in place for the mid-1996 Western Gulf sale," Quarterman said. "However, I'm more concerned with achieving the right balance of policies than with following any specific time line. Some of the options -- particularly those involving more flexible royalty terms -- would require regulatory changes."

A 2-day workshop to discuss policy options will be held in the Gulf of Mexico region in mid-June 1995. The first day will be devoted to an overall discussion of the various options. The second day will be spent on the guidelines being developed by MMS for royalty relief on active leases. Details will be published in the Federal Register later this month.

Comments should be sent to the Acting Deputy Associate Director, Resources and Environmental Management, Minerals Management Service (MS-4400), 381 Elden St., Herndon, VA 22070. Envelopes or packages should be marked "Comments on Proposed Policy Options for the Gulf of Mexico," and should be received within 90 days of the publication of the Notice.

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