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Minerals Management Service
Gulf of Mexico OCS Region

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Supply Network for Deepwater Oil and Gas Development in the Gulf of Mexico: An Empirical Analysis of Demand for Port Services, Final Report

OCS Study MMS 2004-047

The Minerals Management Service (MMS), Gulf of Mexico OCS Region, announces the availability of a new study report, *Supply Network for Deepwater Oil and Gas Development in the Gulf of Mexico: An Empirical Analysis of Demand for Port Services, Final Report*.

This report presents an empirical analysis of the demand for port services generated by the deepwater oil and gas industry during its phenomenal growth during the last decade. During this period, the deepwater oil production registered a nine-fold increase while the gas production increased sixteen fold. In addition, technological developments in seismic data acquisition, large deepwater field discoveries, and the innovative production systems have completely transformed the industry and the logistical support network. Although the logistical support system is a vital component of the industry, empirical studies analyzing the supply network adjustments from the perspective of port services are currently not available. Therefore, the demand analysis in this report will fill that void and is expected to be useful for port planning and investment decisions.

Based on all the information in this report, it is evident that the ports have expanded infrastructure investment to meet the growing needs of the deepwater oil and gas industry. As the industry grew at a faster pace than the supply of port services during the period, the ports have enjoyed higher returns resulting in better financial performance. However, as the deepwater oil and gas industry reaches a plateau, more information is needed in port investment and planning decisions. This report is an attempt to provide such information.

This report is available only in compact disc format. The disc is available from the Minerals Management Service, Gulf of Mexico OCS Region, at a charge of \$15.00 by referencing OCS Study MMS 2004-047. The report may be ordered through the Minerals Management Service's on-line ordering system at <http://www.gomr.mms.gov/WebStore/front.asp>. You will be able to obtain this report also from the National Technical Information Service in the near future. Here are the addresses. You may also inspect copies at selected Federal Depository Libraries.

Minerals Management Service
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1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394
Telephone requests may be placed at
(504) 736-2519 or 1-800-200-GULF
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5285 Port Royal Road
Springfield, Virginia 22161
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Rush Orders: 1-800-336-4700

The Minerals Management Service is the federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas, and other mineral resources on the Outer Continental Shelf in Federal offshore waters. The agency also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands. MMS disbursed more than \$8 billion in FY 2003 and more than \$135 billion since the agency was created in 1982. Nearly \$1 billion from those revenues go into the Land and Water Conservation Fund annually for the acquisition and development of state and Federal park and recreation lands.

MMS Main Website: www.mms.gov
Gulf of Mexico Website: www.gomr.mms.gov

*** MMS: *Securing Ocean Energy and Economic Value for America* ***

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