



# Deadlines and Milestones:

## Walking Through the Maryland Auction Process

January 24, 2014

# Overview

- The PSN and the Comment Period
- From PSN Comment Close to FSN
- During FSN Waiting Period
- The Auction Itself
- From Auction to the Execution of Leases

# The Competitive Process (One Slide Summary)

- Call for Information
- Proposed Sale Notice
  - 60-day Comment Period
- BOEM prepares Final Sale Notice
- Final Sale Notice
  - 30-day (minimum) Waiting Period
- Auction
- 30-day DOJ/FTC Review
- Send blank leases to winner
  - Winner has 10 days to sign, file financial assurance, and pay balance of auction bids.
- BOEM signs

# During PSN Comment Period

- Publish the PSN, Open the Public Comment Period
- Auction Seminar
- Receive **Qualifications** materials (legal, financial and technical)
  - Deadline for Bidders to submit materials: End of PSN Comment period
  - Deadline for BOEM to establish all qualifications: Publication of FSN.
  - If a company is not qualified by publication of the FSN, it may not participate in this auction.
  - Eligible Bidders List will be published in the FSN.

# From PSN Comment Close to FSN

- PSN Comment Period Closes
- BOEM will review PSN Comments.
- BOEM will finalize company qualification evaluations.
- BOEM will select and invite Non-Monetary Factor Panelists
- BOEM will consider what should change from the PSN to the FSN, update the FSN, and publish it in the *Federal Register*.
- BOEM Intergovernmental Task Force Meeting

# FSN Waiting Period Milestones

- BOEM Publishes the Final Sale Notice
- **Bidders Financial Forms (BFFs)** are due (FSN + 15?)
  - Once BOEM has processed this information, bidders may log in and leave bid deposits.
  - BFF includes a Self-Certification of antitrust compliance
- **Bid Deposit** due date (FSN + 30?)
  - All bidders must submit a bid deposit of:
    - \$450,000 (allows a bidder to bid on ONE lease area) or
    - \$900,000 (allows a bidder to bid on both lease areas).

# FSN Waiting Period Milestones

- Mock Auction (FSN + 40?)
  - Will be shortly before the auction date.
  - Mock Auction details will be published in the FSN.
  - Mock Auction participation is for bidders in this lease sale only.
- Non-Monetary Panel Convenes (FSN + 42?)
- BOEM notifies bidders if they are eligible for a bid credit
- Monetary (“live”) Auction Begins! (FSN + 45?)
- Confirmation by the Panel
- Return Bid Deposits of non-winning bidders
  - Note: this is different from past practice. For ATLW-2 and ATLW-1, we returned bid deposits after the leases were executed.

# From Auction to Lease Execution

- BOEM will allow DOJ 30 days to conduct an Antitrust review of the auction, subject to 43 USC 1337(c):
  - ***Antitrust review of lease sales.*** (1) *Following each notice of a proposed lease sale and before the acceptance of bids and the issuance of leases based on such bids, the Secretary [of the Interior] shall allow the Attorney General, in consultation with the Federal Trade Commission, thirty days to review the results of such lease sale, except that the Attorney General, after consultation with the Federal Trade Commission, may agree to a shorter review period.*
- If BOEM determines that the government would not receive a fair return for the leases, BOEM could decide, even at this stage, not to issue any leases pursuant to the sale.



# From Auction to Lease Execution

- BOEM will send three lease copies to the winners.  
(Rent is due within 45 days of this date).
- Unless BOEM allows more time, winners have 10 days in which to post financial assurance, pay the balance of the bonus bid at auction, and sign and return the three copies.
  - If a winner fails to execute the lease for whatever reason, BOEM has the authority to offer the lease to a runner-up, if one can be identified based on the auction results.
- BOEM receives these copies, and executes the leases.

# Questions and Comments

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