



Deadlines and Milestones:

Walking Through the New Jersey Auction Process

Mercer, New Jersey

August 6, 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)

- Proposed Sale Notice (PSN)
 - 60-day Comment Period (We are here)
 - Comment Period Closes on September 19
 - BOEM prepares Final Sale Notice
- Final Sale Notice (FSN)
 - 30-day (minimum) Waiting Period
- Auction
- 30-day Antitrust Review by Department of Justice
- BOEM sends blank leases to winner. Winner has 10 days to:
 - Sign and return the lease copies
 - 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
- BOEM receives **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.
- All comments are considered. Matrices created and leadership briefed.
- BOEM will finalize company qualification evaluations.
- BOEM will select and invite Non-Monetary Factor Panelists
- About the Panel:
 - In the past, BOEM has used a panel of three BOEM staff.
 - BOEM plans to do the same for this auction.
- BOEM will consider what should change from the PSN to the FSN, update the FSN, and publish it in the *Federal Register*.
- When we publish the FSN, we normally also put a Response to Comments document on our web site.

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 to pay.gov 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).
- **Non-Monetary Package** due date (FSN + 30?):
 - If no timely package is received, you will not receive a non-monetary credit in the auction.

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
 - Via email because the monetary auction is happening soon.
- 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.*
- BOEM will consider the DOJ response.
- 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

Wright Frank

202-208-2315

Wright.Frank@boem.gov