

The NewsRoom

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MMS Delays Effective Date of Fee Adjustments for Offshore Energy Activities

WASHINGTON- In the wake of Hurricane Katrina, the Minerals Management Service is delaying until January 1, 2006, the effective date of a [final rule](#) that will adjust some existing fees and implement several new fees for services the agency currently provides to the offshore oil and gas industry.

The [final rule](#), published in the [Federal Register on August 25](#) and originally slated to become effective today, requires MMS to develop additional procedures that will be provided to the oil and gas industry in the form of a Notice to Lessees. The primary office responsible for developing those procedures, the MMS Gulf of Mexico Regional Office in New Orleans, Louisiana, has been closed since Hurricane Katrina hit on August 29, 2005.

Additionally, lessees and operators will need to make changes in their own procedures to comply with the rule. Many of those companies are currently engaged in the restoration of normal operations following Hurricane Katrina and may not be able to make the required changes until normal operations resume. The delay will provide relief to the government and the oil and gas industry as they recover from this disaster.

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments. The OCS provides 29 percent of oil and 19 percent of natural gas produced domestically, as well as sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, and contributes to the Land and Water Conservation Fund and other special use funds, with Fiscal Year 2004 disbursements of about \$8 billion and more than \$143 billion since 1982.

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