

The NewsRoom

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MMS Proposes New OCS Cost Recovery Fees

WASHINGTON- The Department of Interior's Minerals Management Service recently published in the *Federal Register* a [proposed rule](#) seeking public comments regarding new cost recovery fees related to the Regulation of Oil and Gas Activities on the OCS.

The proposed rule would impose new fees to process certain plans, applications, and permits. The proposed service fees would offset MMS's costs of processing these plans, applications, and permits. MMS anticipates that the proposed new fees would result in \$16.5 million in cost recovery for the agency.

The cost recovery fees MMS is addressing in this proposed rule are for different activities than were addressed in the recent [cost recovery rule](#) issued on August 25, 2005.

On March 25, 2005, MMS published an [Advance Notice of Proposed Rulemaking](#) (ANPR) in the *Federal Register* seeking comment on the recovery of costs related to the regulation of oil and gas activities on the OCS. The MMS considered the comments received while developing the proposed rule issued today.

The plans and permits identified for potential fees in this proposed rule include:

- Exploration Plans
- Development & Production Plans (DPP)/Development of Operations Coordination Documents (DOCD)
- Deepwater Operation Plans (DWOP)
- Conservation Information Documents (CID)
- Applications for Permit to Drill (APD Form MMS-123)
- Applications for Permit to Modify (APM; Form MMS-124)
- New Facility Production Safety System Applications
- Production Safety System Applications - Modification
- Platform Applications - Installations
- Platform Applications- Modifications
- New Pipeline Applications -Lease Term
- Pipeline Applications – Modification – (Right-of-Way)
- Pipeline Repair Notifications
- Surface Commingling and Measurement Applications
- Applications to Remove a Platform
- Applications to Decommission a Pipeline (Lease Term & ROW)
- Permits for Geological or Geophysical Exploration for Mineral Resources or Scientific Research on the OCS related to oil, gas and sulphur
- Permits for Geological or Geophysical Prospecting for Mineral Resources or Scientific Research on the OCS related to Minerals other than oil, gas and sulphur

Specific fees suggested for these activities can be found in the proposed rule. Revenues collected under today's proposed rule would be used by MMS to recover the actual costs of these activities, which are critical for oil and gas exploration and development, and for protecting the environment and promoting safety in the OCS.

Comments on the proposed rule are due by January 13, 2006.

Federal agencies are authorized to recover costs of providing services to non-federal entities, such as industry, through provisions in the Independent Offices Appropriations Act of 1952

(IOAA) 31 USC 9701.

Comments on the proposed new cost recovery fees related to the regulation of oil and gas activities should be identified with RIN 101-AD23 and may be submitted electronically through the Federal e-Rulemaking Portal at <http://www.regulations.gov>, by email at rules.comments@mms.gov, or by fax at 703-787-1546.

Important specific instructions for submitting comments, as well as alternate methods of commenting, are explained in detail in the proposed rule.

MMS, an agency of the U.S. Department of the Interior, manages offshore oil and gas exploration as well as renewable and alternative energy sources such as wind, wave, and solar on 1.76 billion acres of the Outer Continental Shelf while protecting the human, marine, and coastal environments. The OCS provides 30 percent of oil and 21 percent of natural gas produced domestically, and 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 2005 disbursements of approximately \$9.9 billion and more than \$153 billion since 1982.

Relevant Web Site:
[MMS Main Website](#)

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[MMS: Securing Ocean Energy & Economic Value for America](#)
U.S. Department of the Interior