



US Oil & Gas
Association



November 25, 2009

Ocean Policy Task Force
c/o The Honorable Nancy Sutley
Council on Environmental Quality
722 Jackson Place
Washington, DC 20503

Submitted via <http://www.whitehouse.gov/administration/eop/ceq/initiatives/oceans/submit>

Dear Chairwoman Sutley:

The National Ocean Industries Association (NOIA), the American Petroleum Institute (API), the International Association of Drilling Contractors (IADC), the Independent Petroleum Association of America (IPAA), the US Oil & Gas Association (USOGA), and the International Association of Geophysical Contractors (IAGC) are pleased to submit comments to the President's Ocean Policy Task Force (OPTF) as it seeks to better understand the challenges and opportunities offered by a system of Marine Spatial Planning (MSP).

Our eight national trade associations represent thousands of companies, both majors and independents, engaged in all sectors of the U.S. energy industry, including exploration, production, refining, distribution, marketing, equipment manufacture and supply, and other diverse offshore support services. Either directly or indirectly, we are all working to explore for and produce energy resources from the nation's Outer Continental Shelf (OCS) in an environmentally sensitive manner. As such, our memberships represent a wide range of viewpoints on this matter.

In the Presidential Memorandum of June 12, 2009 that set the OPTF in motion, the President clearly called for an approach that "addresses conservation, economic activity, user conflict and sustainable uses of ocean, coastal and Great Lakes resources..." It is our belief that the governance systems developed for offshore oil and gas activity touch on all

of those characteristics and offer a model from which to draw in creating any MSP systems.

Importance of economic uses of the oceans

First and foremost, referring back to the President's own order that economic activity be a central factor in ocean governance, we encourage the OPTF to pointedly and clearly state that any MSP effort will include economic uses of the ocean in the balance that is to be sought among competing interests.

The economic uses of the oceans are of significant importance to the country. Consider that the OCS currently is producing 27% of the entire U.S. oil production and approximately 15% of domestic natural gas production. According to a recent study, oil and natural gas resources in former or current OCS moratoria areas could generate \$1.3 trillion in additional federal, state, and local government revenue, and over 76,000 jobs. These will be family-supporting jobs. Oil and gas exploration and production wages averaged \$93,575 per year, according to 2007 Bureau of Labor Statistics data -- over twice the average annual pay of \$44,458 across all U.S. industries.

The United States' OCS is conservatively estimated by the Minerals Management Service (MMS) to hold undiscovered technically recoverable resources of over 419 trillion cubic feet of natural gas and 86 billion barrels of oil. That's estimated to be enough natural gas to heat 100 million homes for 60 years, and enough oil to drive 85 million cars for 35 years or to replace current Persian Gulf imports for almost 60 years.

Such a significant economic contributor to the wealth and energy security of the nation must be considered an equal partner with other economic and environmental considerations when MSP is developed.

Offshore oil & gas programs offer a solid model for MSP

Additionally, OPTF should look to the conclusions of the U.S. Commission on Ocean Policy Final Report as it considers a decision-making structure to develop MSP processes. On page 356, the Ocean Commission exhorts that "the scope and comprehensiveness of the OCS oil and gas program can be a model for the management of a wide variety of offshore activities." With over fifty years of experience in conducting forward-looking multiple-use planning, the agencies and companies involved in offshore oil and gas production have perhaps the most extensive experience in the type of activities that any MSP program will entail. We strongly encourage the OPTF to look at the offshore oil and gas leasing program as a model for broader MSP. This is a model that works.

Governing principles for MSP

Any system of marine spatial planning ought to be characterized by the following characteristics:

- **Forward-looking:** The Outer Continental Shelf Lands Act requires the Department of the Interior to develop a forward-looking five-year leasing plan that anticipates where it makes the most sense to allow for oil and natural gas development offshore. A similar planning structure for MSP would allow for periodic review of all the relevant data, along with calculated determinations of where and when certain activities might best occur, but would be up for review on a regular basis.
- **Adaptive:** Adaptability is equally important for any planning process. The Bureau of Land Management's Resource Management Plans have become stale, frequently going for decades without revision. Such a pitfall would be disastrous if it became the norm for offshore management. Instead, the system should build in certain triggers that will mandate the review of an existing decision. Such triggers might be include select periods of time (such as in the 5-year oil and gas leasing program) or when technological advances transcend a certain threshold (such as if electric transmission technologies develop that will allow wind turbines to move farther from shore, opening new areas for that technology's deployment).

One specific example of where such adaptability is necessary arises from the current lack of scientific data about the location and scope of offshore oil and natural gas resources. Moratoria and restrictions on exploring for these resources off of 85% of the nation's coasts for more than two decades means that current resource assessments are based on old data gathered by less sophisticated technologies. Therefore, any system of marine spatial planning must acknowledge that there exists a vast amount of information yet to be gathered before any conclusive decisions can be made about where it is and is not appropriate to drill for energy offshore.

- **Comprehensive:** Any MSP system must account for the economic uses of the oceans along with conservation goals, and offer equal opportunity to all sectors (traditional energy, renewable energy, commercial fishing, recreational fishing, cruises, commercial shipping, telecommunications, aquaculture, etc.) to make their needs and concerns heard.
- **Efficient:** MSP must not simply result in the creation of additional layers of regulatory bureaucracy. Any additional review panels or permitting processes should be offset by the dissolution of existing permits rendered obsolete by the new system. The goal is to improve the system and make the functioning of government both more effective and more efficient.

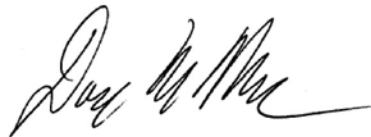
Additionally, the MSP system must recognize the primacy of existing legal authorities. Introducing new decision-making apparatuses that override the regulatory and statutory authorities currently delegated to specific agencies will only result in confusion, lawsuits and logjams.

Our six national trade associations welcome this opportunity to provide comments on the Administration's efforts to develop a system of marine spatial planning. We stand ready to participate as this discussion moves into the next stages and hope that you will continue to call on us as a resource and a partner in this effort.

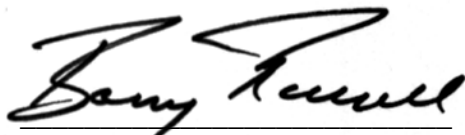
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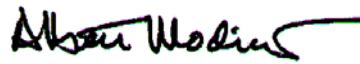
Tom Fry, NOIA



Doug Morris, API



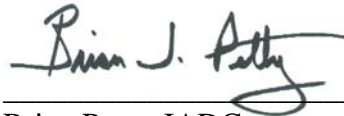
Barry Russell, IPAA



Alby Modiano, USOGA



Chip Gill, IAGC



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