



**OCS Policy Committee  
Recommendations to  
Secretary of the Interior**

**Based on Report of the  
Subcommittee on Natural Gas**

**May 24, 2001**

# Purpose of Subcommittee and Action Taken

The Outer Continental Shelf (OCS) Policy Committee is an independent advisory committee chartered under the Federal Advisory Committee Act to give the Secretary of the Interior advice on discretionary issues related to implementation of the OCS Lands Act. The members represent Governors of coastal states, local government, environmental interests, and the offshore oil and gas, minerals, and fishing industries.

In October 2000, the OCS Policy Committee established a Natural Gas Subcommittee to independently review and evaluate information on natural gas, and then provide an assessment of the contribution the OCS can make to meet the short-term and long-term natural gas needs of the United States within the framework of a national energy policy. The Subcommittee forwarded its report with accompanying recommendations for consideration of the OCS Policy Committee on April 20, 2001.

**Action Taken:** The OCS Policy Committee on May 24, 2001, amended the Subcommittee recommendations and adopted the resolution to forward its amended recommendations to the Secretary of the Interior.

# Subcommittee Members

Jerome M. Selby (Chair), Former Mayor, Kodiak Island Borough, Alaska

George N. Ahmagoak, Mayor, North Slope Borough, Alaska

Jack C. Caldwell, Secretary of Natural Resources, Louisiana

Lisa P. Edgar, Deputy Secretary, Dept. of Environmental Protection, Florida\*

Patrick S. Galvin, Division of Governmental Coordination, Alaska

Andrew L. Hardiman, Vice President, Deepwater Business Unit, Chevron

Robert R. Jordan, Delaware Geological Survey, Delaware

Paul L. Kelly, Senior Vice President, Rowan Cos., Inc.

Donna Moffitt, Director, Division of Coastal Management, North Carolina

Lawrence C. Schmidt, Department of Environmental Protection, New Jersey

Bruce F. Vild, Statewide Planning Program, Rhode Island

\* Subsequently declined appointment for medical reasons

# Recommendations . . .

After consideration of the available information concerning the supply and demand for energy in the U.S., the OCS Policy Committee finds that natural gas should be considered as a significant part of an energy base, which includes alternatives and conservation programs. Recognizing that natural gas is only a portion of a national energy policy, the Policy Committee makes the following recommendations:

- 1 . The Outer Continental Shelf (OCS) should be viewed as a significant source for increased supply of natural gas to meet the national demand for the long term.
2. Congressional funding to Minerals Management Service (MMS) and other critical agencies such as Fish and Wildlife Service, National Marine Fisheries Service, DOE, and EPA, should be assured to allow staff to accomplish the work necessary to increase production of natural gas in an environmentally sound manner from the OCS.

# ... Recommendations ...

3. Following on the success of the deep water royalty relief program, MMS should develop economic incentives to encourage new drilling for natural gas in an environmentally sound manner in deep formations, subsalt formations, and in deep water. Such incentives should be considered for both new leases and existing leases to maximize the use of the existing natural gas infrastructure on the OCS.
4. The MMS, in cooperation with industry, should encourage increased natural gas production in an environmentally sound manner from existing OCS leases.
5. The Policy Committee supports the existing 5-year leasing program. The leasing process can be improved with increased Congressional funding for mitigation, including impact assistance funds, revenue sharing, and local participation in decisionmaking process.
6. Encourage Congressional funding for additional education and outreach regarding the leasing program.



# ... Recommendations ...

7. Greater input from local communities and mitigation of social, cultural, and economic impacts. Comparative assessments of environmental risk between offshore and onshore production, where onshore reserves exist in the same area as offshore reserves (Alaska).
8. MMS, partnering with DOE, should expand cooperative research with other agencies and industry, seeking technical solutions to leading edge issues such as seismic imaging of subsalt areas and drilling in deep formations.
9. MMS, in cooperation with DOE, should encourage international cooperation in development of gas hydrates in an environmentally sound manner, with a goal of a pilot program in place within 10 years.
10. A gas pipeline from Alaska to the lower-48 states would favorably encourage an increase in natural gas production by creating favorable economics for federal OCS production in Alaska. DOI should work with other agencies to expedite all appropriate permit reviews for such a pipeline.

# ... Recommendations ...

11. To help develop information and enhance an informed public debate on whether or not there are grounds and support for a limited lifting of moratoria in existing moratoria areas, MMS, in consultation with industry and affected states, should identify the 5 top geologic plays in the moratoria areas, and if possible, the most prospective areas for natural gas in the plays that industry would likely explore if allowed. The following process would be used:
  - Encourage Congressional funding to MMS for the acquisition of seismic data to assist in narrowing down prospective areas. It is important that these data be non-proprietary, which would be the case if acquired exclusively by MMS.
  - Encourage Congressional funding for environmental and social/human impacts studies for broad-based or specific to 5 prospective geological plays.
  - Establish a site-specific stakeholder consultation process that would permit a sharing of information and discussion of concerns regarding the pilot areas.

# ... Recommendations

12. Although not within the purview of the MMS, the OCS Policy Committee also recommends that a national energy policy should consider:

- Continuing to expand and develop the national pipeline infrastructure, looking at corridor access, environmental, safety and regulatory issues, and capacity.
- Encouraging dual fuel capacity for new electricity generating plants.
- Encouraging the review by the Administration of cost-effective tax incentives to increase the production of natural gas.
- Encouraging conservation and increasing efficiency in the use of natural gas as a part of a national energy policy portfolio.