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NOIA Applauds the Obama Administration's Offshore Energy Plan

NOIA Companies Ready to Provide Safe Energy and Jobs for America

Washington – The National Ocean Industries Association (NOIA) appreciates the Obama administration's efforts to safely develop energy on the Outer Continental Shelf (OCS) and applauds the inclusion of new areas offshore the Atlantic Coast, from Delaware to Georgia, and in the Eastern Gulf of Mexico in its long awaited offshore energy plan.

A Positive Step in the Right Direction

"NOIA is very pleased with the access to new OCS areas announced by President Obama today," said NOIA President Randall Luthi. "If the proposed areas ultimately end up being leased, it will represent the most significant increase in access to domestic energy from our oceans in decades. Our member companies are ready, willing and able to provide vital energy and well-paying jobs for America, and we are pleased that their efforts are being recognized by members of the Administration, Congress and State Governors and Legislators. Today's plan is a good start to secure reliable and increased access to areas of the OCS where vital energy resources may lie. In addition, we are delighted that the Administration agrees with the State leadership in Virginia that the lease sale off that coast should go forward under the current plan."

Potential Next Steps

Revenue sharing among coastal states near future offshore energy development, similar to that occurring today in parts of the Gulf of Mexico, has been a topic of keen interest and vigorous debate among State and Congressional leaders. It was not addressed in today's announcement. "Allowing states such as Virginia to share in revenue from offshore drilling is a key component missing in today's announcement," said Luthi. "From our perspective, Congressional action in support of revenue sharing is part of the package. It just makes sense."

Also missing from today's announcement is a request that Congress provide the funding necessary to conduct the environmental analysis needed before new seismic studies can move forward off the Atlantic. The Administration's FY2011 budget released last month did not request such funding.

NOIA is anxious to see the Department of the Interior begin the multiple steps leading to implementation of the final plan in July, 2012. "True access requires deeds, in addition to written words," said Luthi. "True access to the areas included in the plan will require a number of interim actions, scientific analyses, and permitting processes that are the foundation of these larger plans and often take several years of work to accomplish. We hope that the release of this plan, which is largely a scoping document, truly represents an actual commitment to actual sales in new areas," said Luthi. "This should be more than a virtual reality process."

"In an Administration committed to science-based decision making as well as providing predictability and consistency to the offshore energy industry, there should be no delay in the collection of vital environmental data," said Luthi. "To the offshore industry, predictability and consistency are contingent on the timely completion of necessary environmental and scientific analyses. Predictability and consistency also hinge on energy lease sales moving ahead as originally scheduled, without alteration or cancellation after the fact," continued Luthi.

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"We are pleased to see the President is continuing the ongoing process for developing an offshore leasing plan that began in the prior administration with the removal of the moratoria. However, today's announcement is not the finish line. Additional rounds of review and permitting are required before any new leasing is authorized. It is, however, a step in the right direction to recognizing the need for greater domestic energy production. The key will be to actually finish the process in a timely manner," said Luthi.

"We are never happy to see sales removed from plans, and are disappointed that sales in Alaska included in the remaining years of the 2007-2012 plan will not take place as scheduled," said Luthi. "Although we are pleased that these areas are included in the 2012-2017 proposed plan, delayed sales equal delayed energy, jobs and revenue urgently needed to fuel our struggling economy."

"Due to existing infrastructure and current oil and gas production, there are areas of the OCS that can be developed relatively quickly," said Luthi. "It is therefore somewhat perplexing that this plan, which purports to increase our Nation's energy security, removes so early in the process southern California, including the known Santa Barbara-Ventura Basin, the Oceanside-Capistrano Basin, and the Santa Maria Basin and much of the eastern Gulf of Mexico, including the known Destin Dome formation. Essentially, the plan gives a 'maybe we'll proceed' to an area in the Gulf of Mexico that would be extremely expensive, require very deep drilling and extensive infrastructure. It removes from discussion areas of known oil and natural gas and doesn't even allow further discussion of areas where temporary structures could be used much closer to shore than the 125 mile proposal and still not be visible from the coastline."

With more than 250 member companies working to safely provide both conventional and unconventional domestic offshore energy for America, NOIA appreciates the plan's emphasis on renewable energy development. "Energy is energy," said Luthi. "We need to rapidly and safely develop all forms of energy. Renewables, such as wind, wave and current can and should contribute to our Nation's energy basket."

NOIA supports the administration's efforts to proceed with the implementation of this energy plan as rapidly as possible and is hopeful the new plan will keep America on course for sensible, reasonable and reliable energy, resulting in less dependence on foreign oil and natural gas and more jobs and economic benefits at home.

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NOIA is the only national trade association representing all segments of the offshore industry with an interest in the exploration and production of both traditional and renewable energy resources on the nation's outer continental shelf. The NOIA membership comprises more than 250 companies engaged in business activities ranging from producing to drilling, engineering to marine and air transport, offshore construction to equipment manufacture and supply, telecommunications to finance and insurance.