



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUN 20 2002

Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed is a draft bill to provide authority to the Secretary of the Interior to grant easements or rights-of-way for energy-related projects on the Outer Continental Shelf (OCS). This legislation is being proposed by the Department of the Interior in support of the administration's National Energy Policy initiative to simplify permitting for energy production in an environmentally sound manner. This would be accomplished by establishing a uniform permitting process, coordinated among all of the appropriate Federal agencies, for energy-related project approvals that occur on the OCS.

We recommend that this draft bill be introduced, referred to the appropriate committee for consideration, and enacted.

Generally, mechanisms do not currently exist by which an applicant can obtain approval from the Federal Government to utilize the OCS for non-oil and gas related activities. Similarly, there exists no designated Federal agency that is tasked with the authority to protect the Federal interest in the OCS and to manage such activities to ensure that they are conducted in a safe and environmentally sound manner. Applicants seeking to conduct activities on the OCS that are not specifically oil or gas related have no guidance or clear direction by which to ascertain which Federal agency or agencies must be consulted in order to obtain the necessary permits to further the development of projects on the OCS.

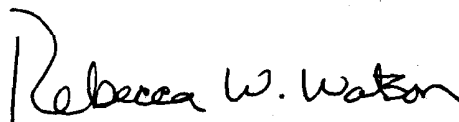
This draft bill has been developed in an effort to remedy the problems noted above by amending the Outer Continental Shelf Lands Act (43 U.S. C. 1331 *et seq.*) to authorize the Secretary of the Interior to grant easements and rights-of-way for energy projects. The legislation would apply to both traditional and non-traditional energy projects, including, but not limited to, renewable energy projects such as wind, wave and solar energy as well as proposed offshore liquified or compressed natural gas facilities. This authority would function in much the same way that the Secretary currently oversees the development of oil and gas activities on the OCS.

The draft bill would also authorize the Secretary to allow energy or non-energy related uses of existing OCS facilities and structures previously constructed for energy purposes such as offshore staging facilities to support deep water oil and gas activities and offshore emergency medical facilities. This authority would allow the Secretary the flexibility to meet the needs of the public to ensure maximum efficient use of existing OCS structures while ensuring that any activities are undertaken in a safe and environmentally sound manner.

The bill is not meant to supersede the existing authority of any other Federal agency with regard to the permitting of such projects and expressly contains a provision to that effect. It also requires the Secretary of the Interior to coordinate with other appropriate agencies in considering the merits of applications for projects on the OCS. A section-by-section analysis of the draft bill is enclosed that describes the various provisions of the legislation in detail.

The Office of Management and Budget has advised us that there is no objection to the submission of this proposal to Congress and that enactment of this proposal would be in accord with the program of the President.

Sincerely,

A handwritten signature in black ink that reads "Rebecca W. Watson". The signature is written in a cursive style with a large initial "R".

Rebecca W. Watson
Assistant Secretary
Land and Minerals Management

Enclosures