

# MMS TODAY

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## Agency Places a Premium on Safety

by Daryl Francois and Walter Bonora

Most everything changes. There was a time when the idea of space travel lived mainly in the minds of science fiction writers and early film makers. 15th Century explorers discovered new worlds in ships made of wood. The planet was once a place of few inhabitants whose basic needs were within reach of home. Now, there are 6 billion of us. Can you imagine the energy needs for that many people?

Today, in exploring the world to satisfy those needs, the requirement for safe and clean offshore operations has become essential. Without this requirement, the potential dangers to people and environment would be enormous.

One of the core responsibilities of the Minerals Management Service's offshore oil and gas program is to ensure that activities on the Outer Continental Shelf (OCS) are conducted in a safe and environmentally responsible manner.

Over the past five decades of exploration and production on the Federal OCS, the government developed a prescriptive approach to assuring safe and environmentally sound operations. Through its regulations, government told industry what to do, and when and how to do it, then followed up with an inspection and enforcement program. This had the unintended

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The safety of offshore personnel and the environment is a priority for MMS. (photo by Mieke Mahi)

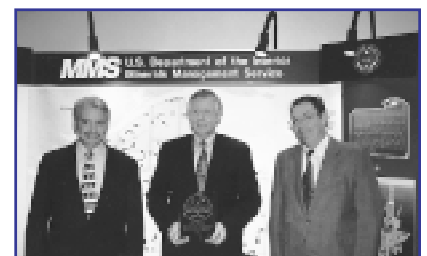
## Kerr-McGee Wins Conservation Award

Gulf Region staff article

The Minerals Management Service recently awarded the 1998 Conservation Award for Respecting the Environment (CARE) to the Kerr-McGee Corp.

In a ceremony held in August in New Orleans, Hammond Eve, MMS's regional supervisor for leasing and environment presented the award to Kerr-McGee CEO Luke R. Corbett.

"The company is being commended for its proactive approach to environmental issues through the implementation of several programs that result in energy conservation,



Luke Corbett (center) holds the prestigious CARE award presented by Hammond Eve (left). Villere Reggio (right) is the agency's CARE Award coordinator.

waste reduction, and pollution prevention," said Eve. "Participation in these programs instills an environmental ethic throughout the company and demonstrates Kerr-McGee's leadership and commitment to

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# Message from the Director

I believe in the old adage, “Nothing can go according to plan if you have no plan.”

Here at MMS we have been planning ahead to prepare ourselves to meet future challenges and to meet the needs of our customers and stakeholders. Planning ahead also allows us to set goals and track our progress. I am proud to report that through careful planning and execution, programs and initiatives begun by MMS several years ago have been successful and continue to be effective

In this issue you will read about several ongoing environmental projects and safety initiatives.

One of MMS’ responsibilities is to balance the nation’s search for hydrocarbons and other marine minerals with the protection of the human, marine, and coastal environments.

Safety is our number one priority on the offshore, and progress has been made, and will continue to be made in that area. We have sought new and better ways to ensure safe and clean operations, like our safety and environmental management program featured in this issue.

Through the years, the force of powerful storms have taken their toll on coastal states. Recognizing the potential for access to federal offshore sand, MMS developed, six years ago, partnerships with coastal states along the Atlantic and Gulf of Mexico to



identify sand deposits in federal waters suitable for beach nourishment.

Planning ahead put us in the right place when offshore sand was needed for beach renourishment projects in Sandbridge Beach, Va., and Assateague Island. Offshore sand was also used to rebuild beaches at Jacksonville, Fla., and Dam Neck, Va.

There have been a lot of exciting things going on at MMS for a long time. It has been exciting because we continue to look to the future to identify emerging issues and challenges requiring our attention now.

A handwritten signature in black ink that reads "Cynthia Guentherman".

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*McGee, continued from cover*

go beyond minimum standards and common practices.”

Eve also cited the company’s commitment to pollution prevention by implementing a proactive waste management program throughout 200 offshore facilities, a program that focuses on continual environmental improvements, encourages on-site innovation, and stresses accountability and resourcefulness.

Kerr-McGee was also recognized for its willingness to foster partnerships with the U.S. Fish and Wildlife Service, Environmental Protection Agency, the Center for Marine Conservation, and other agencies to protect the environment directly affected by the company’s coastal and offshore operations.

“As the Gulf’s first offshore operator, and neighbor to some of America’s most sensitive natural resources, Kerr-McGee has effectively demonstrated that energy development and environmental stewardship can be mutually supportive,” said Eve.

The CARE Award was established in 1987 and is presented annually by the agency’s Gulf of Mexico regional office. The award was designed to recognize outstanding actions and accomplishments by companies engaged in offshore energy development who support the broader conservation and environmental goals of the Department of the Interior, coastal states, and the nation.

*(For more information on other CARE award programs, contact Villere Reggio, CARE Award coordinator; (504) 7360-2780)*

result of creating, in some offshore operators, too strong an emphasis on technology and rote reliance on regulations.

Reviews of this system in the late 1980s advised the agency to take a different tack. These reviews asked MMS to develop a system of regulations, in addition to relying on the best technology, that also emphasize corporate and human responsibility for offshore safety - a performance-based approach.

"As the next millennium nears," said Carolita Kallaur, associate director for the agency's offshore operations, "a clear shift towards performance-based regulations is taking place."

A major step in this direction came in 1991, when MMS intro-

duced the concept of a safety and environment management program (SEMP). The agency believed that this program would promote public safety and environmental protection objectives by shifting away from a compliance mentality to a proactive approach that makes offshore safety an integral part of corporate culture.

The basic idea behind SEMP is that industry will voluntarily implement a structured, systems-level safety management program. Thus far, the agency has seen positive evidence that industry is working to implement the program.

Since 1994, over 93 percent of companies operating in the Gulf of Mexico have developed or are developing SEMP programs. The goals of SEMP are highlighted in



four objectives: focus attention on the effects of human error and organizational influence in accidents; build responsible industry partnerships to achieve public objectives in safety and environmental protection; incorporate continuous improvement principles in safety management; and promote the use of performance-based regulations.

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## The Global Perspective

### Russia

Recognizing the importance and vulnerability of the marine environment, Russia seeks western assistance to help operate safely in offshore areas including the Russian Arctic. Last year, Russian governing bodies with regulatory authority for offshore oil and gas activities began work on a

project to consider the feasibility of developing and implementing an offshore oil and gas operating system consistent with international safety and environmental standards.

Recognized internationally as an effective manager of offshore natural gas and oil safety issues, MMS has been in-

invited to assist in this effort, along with the Norwegian Petroleum Directorate.

Project participants expect to complete a feasibility study by late December 1998.

### The International Scene

Because MMS regulates an increasing global industry, one of the agency's regulatory program goals is to help develop a comprehensive set of nationally recognized, internationally compatible technical standards. Another goal is to help develop a set of internationally recognized technical standards through active participation in organizations like ISO, the International Organization for Standardization.

The agency recently began to participate in the activities of the techni-

cal advisory groups of two technical committees. One committee deals with materials, equipment and offshore structures for petroleum and natural gas industries, and the other deals with environmental management systems -- both with an eye internationally. The agency has taken this active posture because to do otherwise risks leaving key decisions concerning the U.S. offshore industry to non U.S. entities. There are significant risks if global organizations begin to dictate standards that are neither technically compatible nor beneficial to U.S. interests.

In other international activities, MMS has been influential in organizing what has become known as the International Regulators Forum (IRF).

This informal group is comprised of governmental regulators from the United Kingdom, Norway, Canada, Australia, and the United States, who meet periodically to discuss offshore oil and gas activities of mutual interest. The forum, not unlike standards committees, allows for technology transfer and for individual country experts to learn from each other's experiences.

“The operator is fully responsible for all leasehold operations,” said Bud Dannenberger, chief of the agency’s Engineering and Operations Division. This principle permeates SEMP concept and is embodied in *API Recommended Practice 75*, an industry standard published by the American Petroleum Institute. The standard states that management is responsible for the overall success of the safety and environmental management program. Management must provide the necessary resources for carrying out an effective program.

### Requirements Tied to Performance

In addition to SEMP, the agency is also changing its regulatory requirements, where needed,

so that they are tied to performance. One example is in the area of worker training requirements.

Soon the agency will no longer require offshore workers to attend MMS-accredited schools. The responsibility of ensuring that workers, including contractor employees, are properly trained will rest with the operator. Requirements like this will provide strong incentives for companies to demonstrate excellent performance.

The agency is also leading a drive to develop a common set of industry performance measures. This will enable individual operators to compare their performance to the industry average and will also help the agency to identify poor performing companies. In 1997, MMS began requiring every OCS operator to have an annual

performance review to identify corporate strengths and weaknesses and spread the mantra that offshore safety is everyone’s responsibility everywhere, everyday.

The MMS takes offshore safety seriously. It is at the core of the agency’s mission. The agency is continually working with all stakeholders in looking for new and better ways to improve safe offshore operations.

“We will not rest on our laurels,” said Kallaur, “and by placing a premium on safety, we will ensure a better and safer environment for all.”

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## Safety Facts on the Outer Continental Shelf

A significant portion of the total petroleum produced in the United States comes from the Gulf of Mexico. More operations-related activity occurs there than in any other region in the country. Today’s high activity level is expected to continue to rise as acreage from the last four lease sales is explored and developed.

Statistics from the OCS show an increase over the last three years in accidents with the most serious consequences like blowouts, explosions, collisions, and fatalities.

Though there has been a recent rise in these incidents, the overall perspective for the past 30 years indicates that operations are generally safer now than they were in the past considering the magnitude of activity occurring today.



Regulations require operators to notify MMS of all serious accidents, serious injury or deaths, and all fires, explosions, and blowouts.

MMS closely monitors and analyzes incident-related data reported to the agency and works to ensure safe operations through a comprehensive regulatory program, which includes facility inspections, incident investigation, and enforcement actions.

### Inspections and Enforcement

- MMS inspectors may issue Incidents of Non Compliance (INC) for violations of safety and environmental protection regulations.
- Depending on the seriousness of the violations, MMS may issue a warning, order the shut-in of a component, or order the shut-in of the entire facility.
- Of particular concern to the agency are operators who deliberately render a safety device inactive. INCs issued for these violations have shown a steady increase over the last three years.
- MMS has the authority to issue and collect fines through the agency’s civil penalties program. Since 1990, the agency has collected over \$1.4 million in civil penalties.

## **Safety and Environment Protection: A Collaborative Approach**

by Peter Velez, Manager of Regulatory Affairs for Shell Offshore Companies

The offshore industry recently celebrated the 50th Anniversary of the first well drilled in the Outer Continental Shelf (OCS). Much has changed since that first well.

Of particular note are the numerous operational changes adopted by operators as a direct result of greater emphasis on safety and protection of the environment. The results achieved by these changes would not have happened without the ongoing cooperation between industry and the Minerals Management Service and the United States Coast Guard. There are many examples of initiatives and programs in which these stakeholders have worked collaboratively.

I would like to highlight two recent projects: the Safety and Environmental Management Program and the OCS Performance Measures.

During the first 40 years of the offshore industry, 80 percent of our efforts to improve safety and the environment were focused on equipment design, operational considerations, and prescriptive regulations. During those years, many accidents and injuries could be correlated to equipment and operational considerations.

Today we find that nearly 80 percent of the accidents and injuries are due to human error. Many accident investigations tend to indicate that most of the incidents were preventable. During the 1990s, increased efforts focused on management systems and learning how to improve the

human side of our business as it relates to accidents.

In 1991, the MMS approached industry with a concept of what eventually would become known as a safety and environmental management program commonly referred to as SEMP (see *Safety* cover story).

Shortly thereafter, representatives from industry and MMS developed an industry standard (*API's Recommended Practice, RP 75*) which states that management is responsible for the success of a safety and environmental management program. Additionally, annual workshops, sponsored by the MMS and a SEMP committee, are held to communicate and share SEMP components, best practices, and learnings.

Participation and attendance at these workshops has been outstanding. This enthusiasm has helped drive SEMP efforts to the next levels. The American Petroleum Industry has conducted four annual surveys to measure the progress of voluntary implementation. The survey results have demonstrated continuous improvement in all components of SEMP.

In another collaborative effort, the offshore industry has been working with the MMS and the Coast Guard to develop a set of safety and environmental performance measures.

Late in 1997, the committee developed a set of OCS Performance Measures to better determine how well the offshore industry and individual companies performed in the



Peter Velez

areas of safety, environmental, and regulatory compliance.

Sixty operators voluntarily participated in this effort by providing data for 1996 and 1997. The data indicates that the industry has an excellent record in many areas and compares favorably with other industries. This information sharing should help industry as a whole to improve and each company to benchmark their data with industry results.

One important statistic that the OCS Performance Measures revealed is that service companies and contractors employ about 80 percent of the offshore workforce. Continued improvement in the areas of safety and the environment must occur through an integrated effort of operators and service companies. Operators and contractors can not work independently in these areas and expect to be successful. We are interdependent. We need to continue our efforts to employ management systems, which are developed for each of our companies, but with common principles and components that allow service companies to align their systems.

see *Velez*, page 11

# Across MMS

For additional information on most of the following stories, visit our website at: <http://www.mms.gov>.

## Crow Tribe Native Begins Internship With Agency



Through a government-to-government agreement, Joanie Rowland, a member of the Crow Tribe and tribal employee, has become the second Native American to participate in an internship program with the agency. Designed to train interns in coal valuation and auditing methods, the goal of the two-year program is to enable mineral-owning tribes to eventually do their own coal auditing, a function that MMS now performs.

"I am pleased that we are able to offer the Crow Tribe this opportunity," said MMS Director, Cynthia Quarterman. "The agency has been an active participant in the movement towards tribal self-governance. We are committed to providing opportunities for Indian tribes to manage and monitor their own mineral revenues. I hope the Crow Tribe's experience in the program and subsequent success will lead other mineral-owning Indian tribes to explore the potential this program offers."

After a year of valuation training with the agency, Rowland will spend a year at the Colorado State Department of Revenue learning coal auditing techniques.

"Rowland, who has a bachelor's degree in accounting and several years of work experience, comes to the program qualified and eager," said William Douglas, coordinator for the training program.

Rowland added that it was exciting for her to be given the opportunity to work with the tribe and learn coal auditing methods. "This has been a career goal for me - to assist the tribe in its mining ventures."

MMS began offering specialized training to Indian tribes in 1996 as a means of fostering tribal self-governance. An employee of the Cherokee nation was the first participant in the internship program. Interns must be tribal employees and must return to their tribe after their internship is completed. The agency reimburses tribes for much of the program costs.

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## Wyoming Crude Auction Kicks off Royalty-in-Kind Pilots

by Bonn Macy

The MMS began taking royalties in the form of oil produced from Federal leases as the royalty-in-kind pilot programs moved into the implementation phase in October.

At an auction held in August, MMS accepted bids for approximately 2500 barrels per day of Wyoming crude to be taken in kind. Sixty eight percent of the oil in that auction received bids in excess of historical royalty payments. The remaining 32 percent of oil on offer did not, and will continue traditional royalty payments. The agency will hold its next royalty oil auction for

Wyoming crude in mid-February. MMS has also been developing plans to take royalties-in-kind from leases producing natural gas in the Gulf of Mexico. Two important agreements are in the works that will ultimately move natural gas taken-in-kind directly to Federal agencies in Texas and the Northeast for their energy needs. In addition, MMS and the General Services Administration (GSA) are forming a plan that will provide natural gas services to Federal customers, decreasing their energy costs, and at the same time enhancing MMS' royalty receipts. An interagency

agreement will be signed shortly.

Finally, the Gulf of Mexico natural gas pilot, slated to take 800 million cubic feet of gas per day in royalties, has been gathering steam towards an October 1999 start date. The size of this pilot will give the agency the scale required to test a number of different strategies for marketing Federal production in economic quantities. Stay tuned for the continuing developments in this innovative and fresh look at Federal royalty management.

## News From OHMSETT

by Joseph Mullin

The U.S. Coast Guard recently completed a week long training class at Ohmsett - the National Oil Spill Response Test Facility in Leonardo, New Jersey. Training included courses in unpacking, assembling, deployment, operation, recovery, cleaning and re-packing of the Vessel of Opportunity Skimming System and the Spilled Oil Recovery System. Response personnel from various Coast Guard ships, some as far away as Hawaii, and from the Atlantic Strike Team participated in the course.

The training also included an eight hour Hazardous Waste Operation and Emergency Response refresher course. Training emphasized hands-on use of the systems in realistic conditions. The primary aim of the training session was to increase proficiency in the use of the equipment.

In other developments, the



OHMSETT: The National Oil Spill Response Test Facility

agency and 10 international partners sponsored a project in July to re-engineer an existing stainless steel, fire resistant boom to reduce its size, weight, cost and make it easier to deploy and retrieve. The boom was originally designed and tested successfully in the early 1980s. Built to withstand impacts from ice, and to operate in flames for long periods of time, the boom can also carry high tensile loads, and survive for lengthy stays in rough Arctic waters. Existing

firebooms suffer rapid structural degradation from intense heat and the mechanical stresses associated with operation in waves.

In September, the boom was tested with fire in a tank on an island in Mobile Bay, Ala. After completion of these tests, the boom was shipped back to Ohmsett for additional tow tests.

## Seabird Surveys Continue

“The effect of an accidental spill on bird populations is a major concern to our agency,” said Mark Pierson, MMS biologist and marine mammal expert. “Seabirds, like grebes and loons, are especially vulnerable to oil spills.”

Birds are a major component of the marine and coastal environment of southern California. Millions of coastal birds may occupy these waters and their coastal habitats at different times of the

year. Working with partners from the University of California, Santa Cruz and the California Office of Oil Spill Prevention and Response, MMS biologist Mike McCrary and Pierson conduct their seabird surveys about every 4-6 weeks.

The goal of these studies is to provide the agency with up-to-date information on those species of birds that may be affected by offshore oil development. The first of the surveys was conducted in



Biologists Mike McCrary and Mark Pierson prepare to board a plane to conduct one of several aerial surveys of coastal birds in southern California.

January 1996. After a completed survey, the data collected will be combined with data from previous MMS surveys to form a marine mammal seabird data base for all of California.

## Bowhead Whales Monitored in Alaskan Waters

by Robin Cacy

The arrival of fall in Alaska brings with it the annual departure of the Bowhead Whale Aerial Survey team. For two weeks, volunteers from the agency's Alaska regional office spend hundreds of hours flying over the Beaufort Sea looking for the endangered bowhead whale.

MMS has sponsored the survey for most of the last decade. During September and October, bowhead whales migrate from the Canadian Arctic through the Beaufort Sea and into the Bering Sea. The bowhead whale is distinctive for its unique bow-shaped skull. This large mammal plays a major part in Inupiat culture and provides important subsistence food for the Alaskan coastal villages along their migration route. But their diminished numbers and icy habitat make it difficult to study them.

For these reasons, MMS studies the migration routes and the numbers of whales making the trek to the Bering Sea to determine what effect, if any, oil and gas exploration and development has on the whales and on subsistence hunting.

Every morning, team leader, Steve Treacy, decides whether or not they will fly that day based on the limited weather information available for the Beaufort Sea area.

"If the weather allows, we fly at about 1500 feet in an aircraft with bubble windows for good visibility," said Treacy. They use ran-

see **BWASP** next page



Former MMS employee **Kevin Banks** (right) with whale watching colleagues spend their days inside a cramped TWIN OTTER searching for bowhead whales.

## Islands of Refuge

by Robert M. Rogers, Ph.D

The Minerals Management Service (MMS) has recently entered into a partnership with academia, and the offshore oil and gas industry, to gain a deeper insight into migratory birds moving across the Gulf of Mexico and their association with offshore production.

"Stationed on oil rigs in the Gulf, a team of scientists are studying the migration of nearly half a billion birds," said Dr. Bob Russell, a researcher at Louisiana State University.

The three-year study is the first project to study bird utilization of these platforms in a systematic and quantitative way. This project not only will generate the first major data on these interactions, but will also produce unprecedented information on the timing of bird mi-



Several migratory birds rest on the arm of an offshore worker

grations in the northern Gulf. The objectives of the study will be to identify the birds, count their numbers, determine their locational preferences on the platforms, and determine their length of stay.

The North American birds that winter in the tropics are known as neotropical migrants and include a variety of songbirds such as, war-

see **REFUGE** next page



**REFUGE.** *continued from previous page*

blers, tanagers, orioles, and buntings. They form an integral part of the ecosystem consuming insects, distributing seeds, and serving as food for higher-level predators.

To date, researchers have studied the spring migration. About 170 species of birds have been identified, most of them landing at night to rest, and departing in the morning hours. A number of insects, including moths and dragonflies, were also observed using the platforms.



A neo-tropical songbird - one of the many varieties of birds making their long distance migrations across the Gulf.

The study, funded with \$535,000 from the MMS and matching funds from Louisiana State University and several inter-

national oil companies, provides a unique opportunity for researchers to observe these birds on the islands of refuge that the platforms may provide.

Partners in this effort include researchers from the Louisiana State University Museum of Natural Sciences, and Clemson University Radar Ornithology Laboratory, with logistical support provided by British Petroleum, Mobil, and Exxon.

*(Additional material for this article was provided by the Environmental News Network)*

**BWASP.** *continued from previous page*

domly chosen lines in established survey areas. The team works with local Native groups to avoid disturbing their hunting and with other aircraft to ensure safe flying over dangerous Arctic waters and ice floes.

Information about the whales sighted, such as their numbers and behavior patterns, is recorded

along with weather and ocean conditions. The information is entered into a computer on the aircraft that is linked to the airplane's navigation equipment so that sightings can be precisely correlated with the aircraft's position. The survey also records information on other marine mammals.

Once a day, information about the location of the whales is sent

from the field camp in Prudhoe Bay to Anchorage. This information is shared with the National Marine Fisheries Service for its use in determining how the fall migration is progressing. Information about sea ice is also shared with the Naval Ice Center.

Once the migration is over and the team returns to Anchorage, the data that was collected is analyzed. Maps that show the coordinates of each sighting are plotted. A report is prepared and made available to the public which outlines the team's findings and compares them to the statistics from previous years.

The survey, which began in 1987, is providing MMS, the National Marine Fisheries Service, and the Inupiat with current information about these important marine mammals. The more that MMS knows about the bowhead, the better the agency can manage oil and gas exploration and development activities to minimize their effect on these whales.



A crew member makes a final check of the TWIN OTTER prior to its departure.

*staff photo*



Sandbridge Beach, after beach renourishment efforts.

*INTERMAR staff photo*

## Agency Active in Beach Renourishment

*by Renee Orr*

The City of Virginia Beach, Virginia, and the MMS completed negotiations this year to use more than 1 million cubic yards of sand for beach nourishment and hurricane protection of neighboring Sandbridge Beach. Virginia Beach financed the more than \$8 million project to construct a 50-foot wide berm along the entire 5-mile stretch of Sandbridge. Engineers and scientists from the U.S. Army Corps of Engineers and MMS worked together on this project which was completed in July before hurricane season.

The severe winter storms of 1998 took their toll on Sandbridge. The area suffered serious erosion, leaving its narrow beach, infrastructure, and back bay vulnerable to the destructive forces of tropical and nor'easter storms.

"The community here needs sand," said Phillip J. Roehrs, coastal engineer for Virginia Beach. "The beaches are severely

eroded, and to put sand on the beach is a tremendous relief."

That relief began to take shape in the early 1990's, when the agency and the Virginia Institute of Marine Science (VIMS) started assessing the geologic and environmental characteristics of Sandbridge Shoal, located about 4 miles off the coast of southeastern Virginia.

Results of geologic and engineering analyses indicated that sand from the shoal would be well-suited for use as beach nourishment material along the oceanfront beaches of southeastern Virginia.

Studies were also conducted to determine the possible effects on the environment from dredging. To achieve this, scientists collected samples of the sand to be dredged and identified the biological organisms living in the uppermost portion of the sediment. These organisms

are vitally important to the health and well-being of the communities of crabs, lobsters, starfish, and bottom-feeding fish living directly on the sediment surface. In order to gain some knowledge about the habitat in which these organisms live, VIMS and MMS used a camera which penetrates the upper sediment surface and takes pictures of the sand.

Scientists also ran state-of-the-art computer models simulating the effects of actual dredging operations on the bottom topography as sand is removed from the shoal. The agency used the final results of this effort to prepare an environmental assessment, completed in November 1997, which indicated no harmful impacts would occur as a result of the planned Sandbridge Beach renourishment.

"We worked closely with the City of Virginia Beach and the Army Corps of Engineers to make sure the project proceeded as quickly as possible, while still ensuring it could be done in an environmentally sound manner. The success of the project is a direct result of the commitment of everyone involved," said Carol Hartgen, chief of MMS's International Activities and Marine Minerals Division.

Because of the continuing need for beach nourishment material, the MMS and VIMS on behalf of the Commonwealth of Virginia, are continuing their search for future

*see SAND next page*

The MMS and industry trade associations also have a critical role in helping disseminate information that might benefit others. For example, the MMS has increased the number of safety alerts issued after incidents are reported to them. These are used proactively to alert offshore workers about incidents and to hopefully reduce their reoccurrence.

We work in a highly competitive and technological industry. However, in the area of safety and envi-

ronmental protection, we need to cooperate, share best practices, and continue improving our performance and measures. Accidents and injuries, especially those that are considered major by the public and media, create a bad image for the industry as a whole.

As we move into the next 50 years and the new millenium, let's continue to work together to make our industry safer and protective of the environment so that this and future generations are proud of our efforts.

## Recent GOMR Publications

Available from Gulf of Mexico Regional Office: **1-800-200-GULF**

*Daily Oil and Gas Production Rate Projections From 1998 Through 2002, Gulf of Mexico Outer Continental Shelf. OCS Report MMS 98-0013. J. Michael Melancon and David S. Roby. (1998)*

*Northeastern Gulf of Mexico Coastal and Marine Ecosystem Program: Ecosystem Monitoring, Mississippi/Alabama Shelf; First Annual Interim Report. OCS Study MMS 97-0037. Continental Shelf Associates, Inc. (1998)*

Additional publications are available by calling the above number.

## Legislative Update:

The past two years have been eventful for MMS and its programs, and many of the issues taken up by the 105th Congress will, in all likelihood, be revisited by the 106th. A detailed discussion of those issues will be addressed in the next *MMS Today*. Following are updates of Congressional actions on two of the most important issues facing the agency; the valuation of crude oil produced on Federal lands, and the issue of the Federal government taking its royalties "in-kind."

With respect to the crude oil valuation issue, as part of the Fiscal Year 1999 Omnibus Appropriations Act (P.L. 105-277), Congress imposed an 8-month moratorium on MMS issuing its final rulemaking. Therefore, MMS is prohibited from publishing final regulations until June 1, 1999.

While Congress did not enact any legislation on the issue of the government taking its royalties in-kind, they did signal their strong intent to explore the feasibility of the concept. Both the House and the Senate introduced legislation (H.R. 3334, and S. 1930), and the House Resources Committee held two hearings on their bill. Generally, the bill would require that the Federal government take all of its royalties in-kind, and the MMS testified that the Department would recommend a veto of the bill due to its significant policy and budgetary impacts.

## SAND, from previous page

sources of good quality beach nourishment material.

## Other Renourishment Efforts

The Sandbridge Beach effort is just one of several agency beach renourishment projects. This summer the agency reached an agreement with the Army Corps of Engineers, and the National Park Service to begin emergency beach renourishment of Assateague Island. In September over 300,000 cubic yards of sand were dredged from a shoal in federal waters and placed in various low lying areas of the island.

With legislation passed in October 1994, federal offshore sand has become easier to obtain for projects that benefit the public.

Offshore sand was also used to rebuild beaches at Jacksonville, Fla, and Dam Neck, Va.

The MMS is continuing its cost-sharing partnerships with the geological surveys of Alabama, North Carolina, South Carolina, Delaware, Maryland and New Jersey to identify sand suitable for beach



*INTERMAR staff photo*  
Beach renourishment project in Norfolk.

renourishment. The agency will be preparing an environmental report on sand suitable for beach renourishment along the Atlantic coast, from Virginia to New Jersey, to facilitate State and local communities' access to emergency sand resources in the event of hurricanes and storms. MMS and the Geological Survey of Alabama continue to study a large sand deposit located in federal waters offshore of Alabama.

The agency ensures that Federal sand resources are developed in an environmentally sound manner, and available for hurricane protection, beach renourishment, and wetlands protection to states, and local communities.

**NOTE:** The next issue of *MMS Today* will be available in electronic format on our website. In order to reduce the number of paper copies we print and distribute, we'd like to know which format you'd prefer. If you'd like to receive an electronic version of *MMS Today*, please send an e-mail to [mms.today@mms.gov](mailto:mms.today@mms.gov), with your correct e-mail address.

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