

DEVELOPMENT OF THE NEW 5-YEAR OCS OIL AND GAS LEASING PROGRAM FOR 2007-2012

The 5-Year Program indicates the size, timing and location of oil and gas lease sales on the OCS for a 5-year period.

The OCS Lands Act at section 18 lists the factors to be considered--the economic, social, and environmental values of all of the resources of the OCS and the potential impact of oil and gas exploration on the environment.

Specific factors which must be analyzed and considered in deciding where and when include: (1) Existing information on the geographical, geological, and ecological characteristics of such regions; (2) Equitable sharing of developmental benefits and environmental risks among the various regions; (3) Location of such regions and regional and national energy markets; (4) Location with respect to other current and anticipated uses of the sea and seabed; (5) Expressed industry interest; (6) Laws, goals, and policies of affected States specifically identified by Governors; (7) Relative environmental sensitivity and marine productivity of different areas of the OCS; and (8) Environmental and predictive information for different areas of the OCS.

The Act requires the Secretary to obtain a proper balance between the potentials for environmental damage, the discovery of oil and gas, and adverse impact on the coastal zone, using cost-benefit analysis.

The Act requires receipt of fair market value. We set minimum bid levels and use a bid adequacy review procedure.

Program preparation is multistaged with three published drafts, each consisting of a secretarial issue document and decision memorandum, a summary of comments, and options for Secretarial decisions. A draft and final EIS are also prepared. We consult with all interested parties throughout the process.

An approved 5-year program must be reviewed annually. Any significant revision must be formulated through the full process described above.

Major steps for the next program for 2007-2012 include:

August 2005	Request for Information
Winter 2005	Draft Proposed Program
Summer 2006	Proposed Program/Draft EIS
Winter 2007	Proposed Final Program/Final EIS
Spring 2007	Approval
July 1, 2007	New Program in Effect (through June 30, 2012)