

Mid-Atlantic OCS Sand Management
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*An Overview of the Minerals
Management Service's
Offshore Sand Program*

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What is the OCS?

- Outer Continental Shelf Lands Act of 1953
- Grants authority to MMS to lease and regulate oil, gas, sulfur, and all other minerals on the OCS
- Defines OCS as extending from 3 nautical miles from shore (or 3 leagues offshore Texas)
- Provided that all minerals must be leased by competitive bids

Why Go to the OCS for Sand?



Marine Minerals Program



Provides policy direction for the development of marine mineral resources on the OCS

Collects and provides geologic and environmental information, developed through partnerships with coastal States



Identifies and makes available OCS sand deposits suitable for beach nourishment and wetlands protection projects

MMS Sand and Gravel Program

A TWO-PHASE APPROACH...

- Geological Investigations
 - Identify sources of sand to be used for coastal erosion purposes.
- Environmental Studies
 - Examine impacts to the biological and physical environment of sand borrow areas.

Sand and Gravel Leases

OPERATE UNDER TWO PROCEDURES



- **Negotiated Leases** (*PUBLIC LAW 103-426*)
- **Competitive Sales** (*similar to oil and gas sale re: bonus bids, royalties, etc.*)





PUBLIC LAW 103-426

Enacted in 1994



- Amended the OCS Lands Act to allow MMS to grant non-competitive leases for Federal sand, gravel, or shell resources for use in shore protection or other public works projects



NO FEE FOR USE OF SAND

- Shore Protection Provisions of the Water Resource Development Act of 1999 amended Public Law 103-426 by prohibiting charging State and local governments a fee for using OCS sand.



What kind of coastal restoration projects qualify for negotiated noncompetitive agreements?

- **MMS defines coastal restoration as the rebuilding of eroding shoreline segments, such as beaches and dunes, barrier islands, and wetlands, to forestall further erosion and/or to provide protection from hurricanes, storms, and normal coastal erosion for sensitive landward wetlands areas.**



Application Process for Noncompetitive Agreement

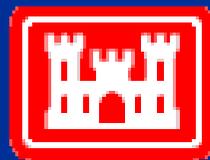
- Entity needing OCS sand should submit request in writing to MMS Associate Director for Offshore Minerals Management.
- *What to include?*
 - Describe in detail proposed project for which the OCS resource will be used.
 - Provide maps and coordinates depicting the location of the desired resource and intended project.
 - State whether project is federally funded or authorized in whole or in part.
 - Specify when the resource is needed.
 - Name a primary point of contact.

MMS will determine whether the request qualifies for a negotiated noncompetitive agreement and will respond to the requestor as soon as possible.



What happens if the Federal sand is being used for an U.S. Army Corps of Engineers authorized project?

- Under Public Law 103-426, MMS and USACE (or any other Federal agency) will sign a Memorandum of Agreement (MOA) that describes the project and procedures, ensuring environmental and administrative requirements are met.
- The MOA will be amended as the environmental assessment is developed and finalized to become the lease instrument for gaining access to the OCS sand in lieu of a negotiated agreement. The local sponsor will join as a third party to the MOA.



US Army Corps
of Engineers ®



What happens if the OCS sand is being used for placement on Federal property by another Federal Agency?

- Similar to procedures for Army Corps projects, under the provisions of Public Law 103-426, MMS and the Federal entity requesting the sand will enter into a Memorandum of Agreement (MOA) and will cooperate on the required environmental analysis.
- The MOA is similar to a lease document and indicates terms and conditions under which the sand can be extracted.
- Examples: National Park Service and U. S. Navy have entered into MOAs with MMS for use of OCS sand.



Environmental Considerations and Requirements under the National Environmental Policy Act (NEPA)

- MMS determines the type of environmental analysis required under NEPA on a case by case basis.
- If a request is found to be qualified under the negotiated agreement provisions, then the MMS determines if an environmental impact statement (EIS) or environmental assessment (EA) is necessary before issuing a lease (normally depends upon scope and magnitude of project).





Site – Specific Studies

- **Examine the biological/physical effects of dredging within specific identified sand borrow sites located in Federal waters.**





Generic Studies

- **Examine the effects, processes, or procedures common to all dredging activities and operations**
- **They can be used to make decisions or manage all or several OCS areas with common characteristics**





Environmental Studies Expenditures

- Since 1992, the MMS has spent over \$16 million on offshore sand-related environmental studies
- These have included a wide range of topics including benthic biological characterization, impacts of shoal modification/removal, post-dredging monitoring protocols, and fate and effects of sediment plumes from dredging



Environmental Study Vehicles

- Contracted studies with private consultants or universities
- Cooperative agreements with State agencies or State universities
- Agreements with other Federal agencies (U.S. Geological Survey, U.S. Fish & Wildlife Service)

Issuance of Negotiated Lease or MOA

- MMS will use final NEPA document and required consultations to determine stipulations/mitigation measures/lease conditions.
- MMS is committed to issuing negotiated agreement or MOA in a timely manner.

UNITED STATES
DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

NEGOTIATED NONCOMPETITIVE LEASE FOR
SAND, GRAVEL AND SHELL RESOURCES ON THE
OUTER CONTINENTAL SHELF

This form does not constitute an information collection as defined by
44 U.S.C. 3502 and therefore does not require approval by the
Office of
Management and Budget.

Office

Washington, DC

Lease number

OCS-A-0452

KEY STEPS ASSOCIATED WITH OCS SAND LEASE

- 1) If another Federal agency is involved, complete an MOA.**
- 2) Complete an Environmental Assessment or EIS**
- 3) Conduct EFH and ESA consultations with NOAA Fisheries and FWS.**
- 4) Obtain ESA Biological Opinion and Conservation Recommendations from NOAA Fisheries/FWS**
- 5) Review air quality and complete an archaeological survey**
- 6) Draft Lease Terms and Conditions based on EA/EIS and consultations**
- 7) Lease signed by Lessee and Lessor**
- 8) MMS notifies Senate and House of Lease**

POST-LEASE / PROJECT REQUIREMENTS

Following the issuance of a negotiated lease, the Lessee is required to conform to the terms and conditions of the lease which may include some or all of the following:

- 1) Biological/physical environmental monitoring in and around the dredge site and coastal zone.**
- 2) Procedures to protect turtles, whales, etc.**
- 3) Transmittal of real-time dredge location information.**
- 4) Submittal of pre- and post-dredging hydrographic data.**
- 5) Procedures to protect archaeological and cultural resources.**
- 6) Submittal of a project completion report outlining final construction parameters.**
- 7) Procedures to protect oil and gas pipelines and other infrastructure, if present.**

CONCLUSION

- Obtaining a Federal sand lease is a straight-forward process, usually done in 10-12 months
- G&G permits or notifications are required for any drilling or seismic work on the OCS
- MMS has completed 20 negotiated agreements (leases) for sand in 5 states
- These projects have placed over 33 million cubic yards of sand on 125 miles of the Nation's coastline
- Some projects have used sand from as far as 12 miles from shore

Questions ?

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Visit our website:

<http://www.mms.gov/sandandgravel>

(has procedures for obtaining permits and leases, laws and regulations, and downloads of environmental studies reports)