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**COVER**

*Pride International's Pride Rig 14 is working in Chiflon, Colombia for HOCOL S.A. A series of articles and reports on drilling equipment and technology begins on page 26. Reports on IADC's 2003 Annual Meeting and the Association's initiatives by its various directors begins on page 10.*

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**CAPITAL WIRELINES**

**GOP Senators point out CZMA roadblocks to offshore E&P**

**Brian T Petty, Senior Vice President-Government Affairs**

**COASTAL ZONE MANAGEMENT ACT (WASHINGTON)** – The US Congress is considering changes in the Coastal Zone Management Act (CZMA) administered by the National Oceanic Atmospheric Administration of the Department of Commerce in the context of comprehensive energy legislation. CZMA has become a stumbling block for US offshore E&P activity, as the States have used it to thwart offshore oil and gas production. The States' position has been strengthened over the years by federal court decisions.

The offshore industry is attempting to bring clarity and consistency to CZMA by recommending streamlined regulation or, if necessary, legislation. Industry was greatly assisted in August by twelve key Republican Senators who wrote the Secretary of Commerce to amplify the growing problems industry has with CZMA and its damage to efforts to find and produce new sources of offshore hydrocarbons. The letter stated in part:

“We understand that the National Oceanic Atmospheric Administration (NOAA) recently published, and is seeking comment on, its proposed rule to revise the federal consistency appeal regulations under the Coastal Zone Management Act of 1972 (CZMA). We urge you to review more closely the implications of this proposed rule, as well as the underlying statute, to ensure that the CZMA consistency appeals do not unduly delay federally authorized and environmentally compatible energy projects in interstate commerce.

“In recent years, the consistency appeals process at the Department of Commerce has allowed certain coastal states to impede oil and gas exploration and production in the federal Outer Continental Shelf (OCS). Now, two interstate gas pipeline projects are being blocked, even though Congress long ago granted the Federal Energy Regulatory Commission pre-emptive authority to site and license gas pipelines. These actions have resulted in domestic job loss, diminution of our national energy security, and reduced royalty revenues to the federal and state governments.

“In short, we have serious concerns that the consistency appeals process has caused undue delays in energy projects. Furthermore, NOAA's proposed rule, while providing clarity to some definitions, fails to ensure that consistency appeals decisions are made in a timely fashion....

“Further, NOAA's proposed deadline exceptions for *additional* environmental or biological opinions are not needed for any appellate review and would simply delay the appeal. This aspect of NOAA's proposal negates the intent of Congress directing the Department of Commerce to decide these appeals expeditiously.

“We request that NOAA change its proposal to comply with congressional intent in the CZMA. Any NOAA rule must emphasize expeditious appeals decisions, rather than administratively lengthening deadlines and creating an unneeded exception that effectively erodes congressional intent. We request that you meet with us to discuss the issue in more detail.”