Office of Public Affairs

NEWS RELEASE

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CONTACT: A.B. Wade (202) 208-3985

MMS PUBLISHES RULE CONCERNING PRODUCER-OPERATED PIPELINES ON THE OUTER CONTINENTAL SHELF

Today, the Department of the Interior's Minerals Management Service (MMS) published a final rule in the *Federal Register* that clarifies jurisdiction of oil and gas pipelines on the Outer Continental Shelf (OCS). The pipelines are regulated jointly by the MMS and the Department of Transportation's (DOT) Office of Pipeline Safety.

The MMS has regulatory responsibility for producer-operated facilities and pipelines, and the Office of Pipeline Safety has responsibility for transportation pipelines and associated pumping or compressor facilities.

The new rule specifically addresses producer-operated pipelines that cross directly into State waters without first connecting to a transporting operator's facility on the OCS. It also addresses producer-operated pipelines connecting production facilities on the OCS. In addition, the rule establishes procedures by which producer and transportation pipeline operators can petition for the right to work under either MMS or DOT regulations governing pipeline design, construction, operation, and maintenance according to the operational circumstances particular to their respective pipelines.

Approximately 215 of 375 pipelines crossing federal and State boundaries were not being regulated consistently due to conflicting regulations where DOT-regulated pipelines cross MMS-regulated production facilities. Now, both agencies will ensure compatibility between their respective regulations to avoid unnecessary or burdensome requirements for OCS pipeline operators.

MMS is the federal agency that manages the Nation's natural gas, oil and other mineral resources on the OCS, and collects, accounts for and disburses about \$4 billion yearly in revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

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MMS Internet website address: <u>http://www.mms.gov</u> 24 hour Fax-on-Demand Service:(202) 219-1703