

# Technical Announcement

U. S. Department of the Interior  
Bureau of Ocean Energy Management  
Gulf of Mexico OCS Region

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## ***MAG-PLAN 2012: Economic Impact Model for the Gulf of Mexico Updated and Revised Data***

### **[OCS Study BOEM 2012-102](#)**

The Bureau of Ocean Energy Management (BOEM), Gulf of Mexico OCS Region, announces the availability of a new study report, *MAG-PLAN 2012: Economic Impact Model for the Gulf of Mexico-Updated and Revised Data*.

BOEM maintains an OCS Economic Impact Model (EIM) called MAG-PLAN to provide a consistent bureau-wide approach to estimating employment, personal income, and similar economic impacts from OCS activities. MAG-PLAN is a Microsoft® Access®-based, two-stage model that uses OCS-specific “cost functions” to estimate the industry expenditures required (by industry sector and onshore area that the spending is likely to occur) to complete a given activity, such as drilling an exploration well. The second stage uses general economic multipliers from the commercial economic modeling system IMPLAN to forecast employment, personal income, and other variables resulting from the initial industry expenditures.

The objective of the MAG-PLAN Modification study is to strengthen and refine the Bureau’s procedures for estimating the onshore economic effects from OCS-related activities by improving the current MAG-PLAN model. The work had two major purposes: (1) update the data within MAG-PLAN and incorporate technological developments and (2) update and refine the software. New cost functions were developed for floating production systems, subsea production systems, and geological and geophysical prospecting and cost functions were updated for drilling wells (exploratory, development, and development with production wells), platform fabrication and installation, onshore gas processing facilities, pipeline construction, platform decommissioning, and annual operating and maintenance (O&M). The allocations of these costs by IMPLAN sectors (440-industry series) and by labor and non-labor costs were revised for each activity. The methodology for allocating industry expenditures to onshore areas by industry sectors was refined and more flexibility was added to allow users to examine impacts to different BOEM-defined onshore geographical areas. This will aid broader BOEM efforts to understand the local and regional consequences of the program as industry activities expand or contract, and will support planning, decision making and environmental assessments related to the management of mineral resources on the OCS. This report provides the technical documentation for the revised model.

This report is available on CD from the Bureau of Ocean Energy Management, Gulf of Mexico OCS Region, for \$15.00, and free of charge as a pdf file downloaded from the BOEM Website. Copies can also be viewed at selected Federal Depository Libraries. The addresses are listed below.

To order a CD, use the Gulf of Mexico OCS Region contact information below and reference OCS Study BOEM 2012-102. To download a pdf copy, use the [Environmental Studies Program Information System](#) (ESPIS) and search on the study report number. In the near future, you will also be able to get this report also from the National Technical Information Service.

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