



May 17, 2010

Honorable Ken Salazar
Secretary of the Interior
1849 C Street NW
Room 6156
Washington, DC 20240

Dear Mr. Secretary,

On behalf of the Offshore Marine Service Association (OMSA), we would like to recognize the need for the Administration and Department of the Interior to formulate an appropriate response to the situation in the Gulf of Mexico resulting from the blowout at the Macondo prospect.

Our members and our industry have a significant stake in the outcome of that response. OMSA represents over 250 companies, including more than 100 firms that own and operate the U.S. flag vessels that support America's offshore energy sector. These vessels are the lifeline to offshore projects, providing every pipe, wrench, computer, barrel of fuel, and gallon of drinking water to rigs and platforms, as well as transporting tens of thousands of workers to and from the facilities. In a real sense, OMSA is also the lifeline for coastal areas of the Gulf of Mexico, directly providing for more than 100,000 jobs and supporting the economy and tax base of these coastal areas.

Understanding the commitment of the Administration to proceed with caution regarding offshore drilling while the *Deepwater* investigation is underway, we respectfully ask that the Department of the Interior consider the implications that any broad restrictions may have for shallow-water drilling, as well as the industries that support such drilling. The different dynamics inherent in shallow-water operations do not present the same safety concerns as deepwater operations.

Shallow-water drilling operations have safely operated since 1949 in the Gulf of Mexico, and are very different from deepwater drilling. Rigs in shallow water are designed to maintain their blow-out preventers above the surface of the water, not the sea floor which enables constant visual inspection and direct physical intervention when appropriate. Additionally, a large number of shallow-water wells also require positive external stimulation to produce and control the flow of the product from the drilling site. Finally, the vast majority of shallow-water drilling sites involve natural gas resources, rather than oil. Because of these differences, the concerns of the Department with respect to the safety of deepwater drilling are not shared by shallow-water drilling, making a moratorium – even on a temporary basis – on the issuance of new drilling permits for shallow-water drilling operations unnecessary and potentially counterproductive to the development of needed resources.

If shallow-water drilling is included in the moratorium, it would have a significant and damaging effect on our vessel companies, their crews and the communities in which they live. At present, nearly 50 drilling rigs are scheduled to complete wells in the next six weeks. Each one of those projects utilizes a number of U.S. flag vessels. A moratorium on new permits involving shallow-water drilling would idle those vessels at a time when the industry desperately needs to recover from the recession.

You have personally toured communities that rely on offshore energy activity. On April 1st, you visited a training facility where mariners learn the skills that allow them to work offshore. You have an appreciation for the connection between offshore activity and the economy in this region. We would stress that, even as the Administration addresses the complexities of deepwater exploration, a blanket ban on shallow-water drilling would be a severe and unnecessary blow to our area. It should also be mentioned that many of these shallow-water projects directly support state budgets through royalty payments.

As we do not believe that the Department intended to issue an order that would cripple and penalize hundreds of companies and thousands of individuals, we would like to respectfully request clarification or amendment of the Department's current position in order to allow resumption of permit issuance for shallow-water drilling operations in less than 1,000 feet of water.

Please help us avoid a potentially catastrophic economic situation for our members' businesses and the many workers and their families whose livelihoods depend on the continued viability of our industry.

Sincerely,

A handwritten signature in black ink that reads "Kenneth R. Wells". The signature is written in a cursive style with a large initial "K".

Kenneth R. Wells
President