



Staff Contact: Robert Harper, Undersecretary  
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## I. AGENCY OVERVIEW

### a. Identify your overarching reform goal(s) for the agency.

#### **OUR MISSION STATEMENT**

The mission of the Louisiana Department of Natural Resources (DNR) is to preserve and enhance the nonrenewable natural resources of the state, consisting of land, water, oil, gas, and other minerals, through conservation, regulation, and management/exploitation, to ensure that the state of Louisiana realizes appropriate economic benefit from its asset base.

DNR exercises complex and various regulatory and permitting functions through the offices of Conservation and Coastal Management. The department serves as one of state government's major revenue-generating agencies by way of oil and gas bonuses, rentals, and royalties.

DNR's aim is to exercise prudent and effective management. The department's governing philosophy is open and receptive to innovative ideas, technologies and the promotion of a cleaner, safer environment. The department strives to facilitate an excellent working relationship with industry, with a strong emphasis on reaching mutual goals. DNR also endeavors to assist the citizens of the state through education, its many services, and its public outreach efforts.

#### **OUR CURRENT OPERATIONS**

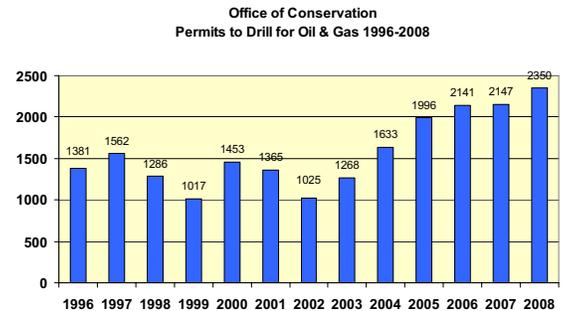
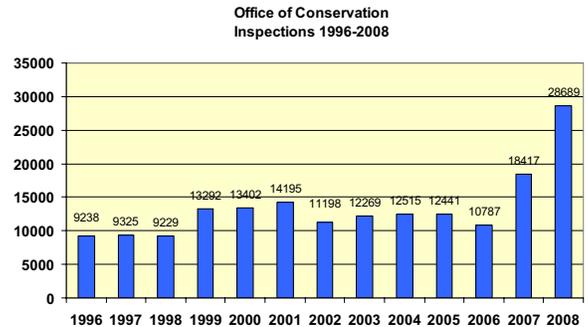
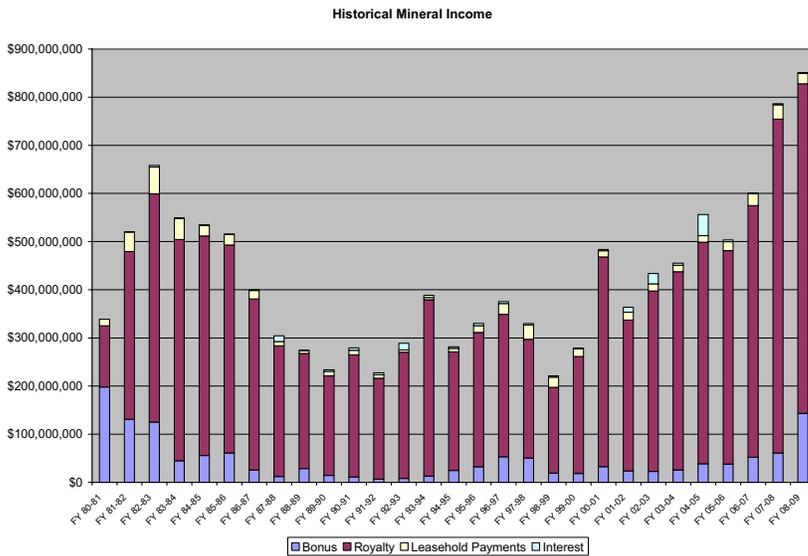
##### **Our five areas of interest:**

1. Manage and regulate selected natural resources, including oil, gas, lignite, and ground water resources
2. Regulating the coastal zone
3. Managing the Atchafalaya Basin
4. Managing the publicly-owned mineral assets
5. Managing the State Energy Office

1. Manage and regulate selected natural resources in the State, including oil, natural gas, lignite, ground water.
  - There are currently 62,142 active wells in Louisiana.
  - 2008 Oil Production (excluding OCS) was 70 million barrels.
  - 2008 Gas Production (excluding OCS) was 1.29 trillion cubic feet
  - 2,350 drilling permits were issued in 2008
  - 28,689 oil and gas inspections were performed in 2008
  - 1,970 unitization hearings were docketed in 2008
  - There are currently 2,728 orphaned wells in Louisiana.
  - The Oilfield Site Restoration program plugged and abandoned 173 wells in 2008.
  - Miles of Natural Gas Transmission - 6,461
  - Miles of Natural Gas Distribution - 39,001
  - Miles of Hazardous Liquid - 4,840
  - Total Miles of Regulated Pipelines - 50,302
  - Injection Wells in state – 4237 wells
  - Number injection wells inspected - 2680
  - Injection Well drilling applications received – 1416
  - Injection well permits issued – 1197 (214 denied)
  - Commercial Oil & Gas waste injected into wells – 45,110,145 barrels
  - Lease oil & gas waste injected into wells by operators – 970,515,461 barrels
  - Salt cavern brine injected into disposal wells – 164,794,757 barrels
  
2. Regulate coastal land resources and vegetated wetlands, and assist in the management of the Atchafalaya Basin.
  - Louisiana has 15,000 miles of winding shoreline that extends from the Pearl River westward to the Sabine.
  - Presently, Louisiana's Coastal Zone contains 8.5 million acres that includes bays, lakes, marshes, swamps, barrier islands, cheniers, natural levee forest, bottom land hard woods, and the Gulf of Mexico extending out 3 miles.
  - There are nineteen parishes in Coastal Zone
  - OCM issues between 1,500 to 2,000 Coastal Use Permits (CUP's) and Authorizations each year
  - Over 47 percent of the state's population is within coastal parishes
  - Over 50% of the State's annual revenues are generated in the Coastal Zone
  - Five of the top 15 tonnage ports in the US depend on the Louisiana Coastal Zone
  - The Coastal Zone significantly contributes to Louisiana being the top producer of domestic oil, top producer of offshore oil, top producer of offshore gas
  - Louisiana is the top producer in fisheries in the lower 48 states; Louisiana is the top producer of oysters, blue crabs and crawfish
  - Louisiana's coastal wetland provides habitat for 1.8 million migratory waterfowl

- The Atchafalaya Basin Floodway System (ABFS) encompasses 838,000 acres, and extends south from the Old River Control Structure to Morgan City
  - Approximately 400,000 acres of publicly owned lands, which include state and federal fee title lands, federal easement lands and state water bottoms.
  - Approximately 438,000 acres of privately owned lands which include upland forested habitats as well as deep-water swamps.
  - The Atchafalaya Basin is the largest contiguous bottomland hardwood forest and overflow, alluvial swamp remaining in the United States.
  - DNR Atchafalaya Basin Program serves as the non-federal cost share partner for the US Army Corps of Engineers, Atchafalaya Basin Floodway System, Louisiana Project to guide, manage and protect the resources of the Basin
  - Atchafalaya Basin Program using an annual plan process that must be approved by the legislature to determine projects to be implemented the following year.
3. Manage the publicly-owned oil, gas and mineral assets, to maximize revenues directly and indirectly to the state.
- There are currently 1,939 active leases
  - # of acres under lease – 932,690
  - Amount of royalty collected in FY 2009 -- \$692,998,517
  - Amount of total mineral income collected in FY 2009 -- \$859,510,372
  - Number of nominations in FY 2009 – 1,089
  - Number of acres nominated in FY 2009 – 885,719
  - Number of leases awarded in FY 2009 – 366
  - Number of acres leased in FY 2009 – 79,531
  - Average bonus per acre in FY 2009 -- \$2,500
  - Average royalty per acre in FY 2009 – 23.57%
  - Unproductive acreage returned to commerce in FY 2009 – 118,843
  - Collections from field audits in FY 2009 -- \$6,389,061
  - Average collection per field auditor in FY 2009 -- \$532,422
  - Number of field audits performed in FY 2009 – 22
4. Manage the state’s energy office. Study and develop energy policies and to provide the public, industry, the Governor, and the Legislature with scientifically sound and timely information on energy issues.
5. Develop and implement business processes, information systems and management practices to enhance the department’s reputation as a leader in technical, cost efficient, proficient, and effective program operations.
- The SONRIS system averages 30,000 hits per day from 13 different countries providing Oil & Gas and Coastal information. Web site allows access to database, GIS maps, documents, such as leases, well logs etc. eliminating a need for citizens to travel to DNR’s office. Prior to SONRIS over 600 oil and gas scout reports were printed and sold to the public. This information is now available free on line to anyone with web access

- The Department of Natural Resources has not had any audit findings for the last two consecutive fiscal years from the Legislative Auditor.
- Coastal Use Permit, a web based system, that requires active participation of a number of federal and state agencies, improved the permitting process by eliminating the need of paper application. The Fedex like tracking provides transparency and aids in efficiency.
- Online Oil & Gas reporting cleared year's worth of audit back log and improved data quality.
- Allowed notice of publication period to be reduced from 90 days to 60 days. The results of lease nominations became available immediately after the hearing that used to take ten days.



**OUR OVERARCHING REFORM GOALS (Detailed herein below)**

- Fully automating the oil and gas permitting and reporting processes within the Office of Conservation
- Consider fully integrating the inspection function of the Office of Conservation with those inspection activities performed by the Department of Environmental Quality (DEQ)
- Privatize data entry and record archiving efforts within the Office of Conservation and Mineral Resources
- Integrating some of the audit functions of the Office of Mineral Resources with the Department of Revenue and enhancing audit capabilities through technology
- Investigate feasibility of industry self inspection reporting

- Consider consolidation of regulation and inspection of intrastate natural gas pipelines which is currently shared between the Public Service Commission and Department of Natural Resources
- Consider integration of portions of the State Land Office, currently within the Division of Administration, with the Department of Natural Resources
- Co-location of state agency (DNR, DEQ, DWF) permitting teams

**b. Review and briefly outline the constitutional and statutory mandates for your agency**

The following is a list of major statutory authorizations.

RS 36:354 et seq – Mandates the Secretary as the Chief Executive Officer of the department and prescribes powers and duties including the state energy office and the Atchafalaya Basin Program.

RS 36:356 – Creates the Office of Management and Finance to perform the business functions of the department

RS 30:1 – Creates the Office of Conservation with the primary statutory responsibility for regulation and conservation of oil, gas, lignite, ground water and other natural resources

RS 30:135 – Provides that the Office of Mineral Resources shall staff the State Mineral Board in the leasing and administering of state mineral leases for revenue generating purposes

RS 30:49:214 – Provides that the Office of Coastal Management will regulate, conserve, protect, enhance, and develop Louisiana’s coastal resources.

It should be noted that recent changes in the law have reorganized the “coastal restoration” efforts of DNR with the “hurricane protection” efforts of DOTD into the Office of Coastal Protection and Restoration (OCPRA). The “coastal management” function, also referred to as the regulatory function, remains housed at DNR. This revised governing model was originally adopted following the storm season of 2005, as Act 8 in a Special Session of the Louisiana Legislature, and subsequently amended in the Regular Sessions of 2008 and 2009. It provides for an extreme focus on restoration and protection by the OCPRA without the challenges of operating a regulatory agency. This model represents the best chance for success in the fight to restore America’s Wetland and to build a world class hurricane protection system.

A detailed summary of activities performed by the department is included for your review (see attached). This report contains statutory and constitutional mandates, determines if the activity is relative to the mission; determines if the activity can be overhauled or eliminated; identifies duplication or overlap with federal, state, or local government; and if outsourcing is possible. It should be noted activities of the department are constitutionally or statutorily authorized, or represent sound business practices.

Louisiana Department of Natural Resources  
 Authorized Table of Organization (2004-2009)

Program	Authorized T.O. 04/05	Authorized T.O. 05/06	Authorized T.O. 06/07	Authorized T.O. 07/08	Authorized T.O. 08/09	Authorized T.O. 09/10	09/10 2009-11 Position Cut	09/10 Positions After The Cut
Office of the Secretary	93	92	91	91	91	89	-3	86
Office of Conservation	189	187	180	192	192	187	-5	182
Office of Mineral Resources	84	83	75	75	75	73	-2	71
Office of Coastal Management	50	50	49	50	50	50	0	50
<b>Sub Total</b>	<b>416</b>	<b>412</b>	<b>395</b>	<b>408</b>	<b>408</b>	<b>399</b>	<b>-10</b>	<b>389</b>
Coastal Protection & Restoration	96	96	100	100	109	109	-3	106
<b>Total</b>	<b>512</b>	<b>508</b>	<b>495</b>	<b>508</b>	<b>517</b>	<b>508</b>	<b>-13</b>	<b>495</b>

**c. List those mandates which impede attaining agency goal(s) and suggestions for change in law(s).**

During the last several years, the leadership of DNR has been very aggressive in changing laws to facilitate a more efficient organization. These changes include Act 196 of the 2009 Regular Session which updated the role of the State Mineral Board, Act 437 of the 2009 Regular Session, which consolidated ground water regulation under the DNR Office of Conservation, which was previously shared with the Department of Transportation and Development (DOTD). In addition, since the storm season of 2005, several substantial changes have been made to the statutes governing the integration of coastal restoration and hurricane protection to achieve efficiencies.

- Additional changes in law may be necessary to authorize inter department inspection services (DEQ and DNR). See description to follow.
- Additional changes in law or rule maybe necessary to require electronic report filing, to allow for industry self inspection, and for consolidation or merger of certain activities of selected state as detailed herein below.
- Additional changes in law may be necessary to allow auditors with the Office of Mineral Resources to conduct severance tax audits when conducting royalty audits. Currently, the authority for severance tax audits is limited to the Louisiana Department of Revenue (LDR).

## II. EFFICIENCY AND BENCHMARKING

### a. Identify under-performing programs that should be overhauled or eliminated.

#### Office of Mineral Resources

- The Office of Mineral Resources collects several hundred million dollars of mineral royalty generated from production on publicly-owned lands. The three (3) year average for royalty collection in calendar years 2006-2008 is \$638,980,137. This is a major source of general fund income to the State of Louisiana. The royalty field audit process could be made more effective by implementing the use of computer-assisted auditing techniques (CAATs). CAATs software would allow the auditors to perform 100% file traversals of auditee data and look for anomalies and population outliers that may be indicative of underpaid royalties and/or severance taxes. The Office of Mineral Resources (OMR) should also consider requesting legislative authorization to audit severance tax revenues. Because of the similarities of the data audited, combining the two field audit programs would be more efficient as well as being more convenient to payor companies. The payor companies would be audited by one team of auditors instead of two. Also, combining the two programs could save travel costs and some overhead costs.

#### Office of Conservation

- The Office of Conservation, due to a historic lack of one time funding, has not yet fully automated the oil and gas permitting and reporting processes. This would eliminate the need for the initial entry of application information by office personnel, reduce paper management, and streamline periodic report filings by the regulated community. The task of data entry would no longer be required of office personnel allowing them more time to audit and analyze the information submitted; and allow the regulated community an easier and direct means of meeting report filing deadlines.

Implementation will require the assistance of the Information Technology Section as well as the funding. Additionally, the development of these many processes will require interaction between staff and IT representatives.

Once automation is implemented, the savings would be achieved as a functioning system is phased-in service, however, such savings cannot be quantified at this time. Potential savings could be realized through a reduction in the space needed for records storage, possible decrease in postage and mailing supplies. The Office of Conservation staff should have the opportunity to focus more time and effort in regulatory oversight and evaluation roles within the divisions due to a lesser role required in data entry. The automation of the processes may save industry time in filing the application, and should save industry the cost of paper and mailing. Once all of these processes are implemented and moved to the Baton Rouge Office from the district offices, a reduction of 12 positions may be realized. These reductions would result in a cost savings of \$581,626.

### III. OUTSOURCING AND PRIVATIZATION

#### a. List programs, functions, or activities that can be privatized or outsourced

There are several potential possibilities for outsourcing. The inspection activities, record archiving, and manual data entry for the Office of Mineral Resources and the Office of Conservation.

##### Office of Mineral Resources

- The Office of Mineral Resources is currently investigating the possibility of outsourcing the data entry for lease records. There are over 9,000 inactive leases, dating back to the 1920s, that have not been archived. This historical information is very important to potential investors in Louisiana. There are approximately 1,939 active leases, which have been archived. As lease ownerships change for these 1,939 leases, they will need to be archived as well. On average twenty-eight (28) new leases are issued every month.

The estimated cost associated with outsourcing record archiving to complete the backlog of over 9,000 inactive leases would be a one time cost of approximately \$240,000 to \$300,000. Once the backlog has been completed, the estimated cost per year for archiving current and ongoing leasing activity would be approximately \$50,000. All contractors that have interviewed by the Office of Mineral Resources would require the department to prepare the leases for imaging (remove all staples, paper clips, making sure all copies are ready to be scanned). It is estimated to complete the prep work for the contractor would require one full-time employee and one part-time student worker.

As a result of outsourcing record archiving two (2) employees may be laid off. The total of their salaries and benefits is approximately \$108,000. This would equate to an annual saving of \$58,000 to the DNR Office of Mineral Resources.

##### Office of Conservation

- The Office of Conservation's goal is to inspect each of the 60,000 active wells once every three (3) years or approximately 20,000 wells per year. Approximately 4.7% to 7.6% of inspections reveal compliance issues. Under a self-inspection scenario, operators would be required to perform an inspection on a yearly basis (or other specified frequency) and report the results of the inspection, including any violations noted, to the Office of Conservation. Operators would certify through an affidavit that the inspection was performed and that any violations noted were corrected. No penalties would be assessed for violations that are self-reported provided all violations are subsequently corrected. Penalties would be assessed for failure to self report or for cases where a Conservation Enforcement Specialist's (CES) inspection or audit indicates a violation at a particular site. This would result in self reported inspections occurring each year rather than CES inspections once every three (3) years. This would result in a reduction of eleven (11) field inspectors and an increase in one (1) person for office personnel to review reports, for a net decrease of ten (10) FTEs, at an estimated annual savings of \$500,000. Any self inspection system should guard against the relaxing of environmental stewardship responsibilities.

- The Office of Conservation, through a change in rules or laws, could require all energy producers and energy transporters to submit all required reports electronically. This would result in the elimination of five (5) FTEs, at an annual savings of at least \$250,000.

#### **IV. INFORMATION TECHNOLOGY INTEGRATION**

##### **a. List IT projects already underway designed to improve efficiency and effectiveness as well as potential projects.**

- The Department of Natural Resources addressed costly procedural and operational inefficiencies when it began work on the Strategic Online Natural Resources Information System (SONRIS) initiative. SONRIS is more than an enterprise data repository and reporting tool. It represents the agency's acknowledgement that customer service and satisfaction are equally important to satisfying its overarching mission of being a diligent steward and manager of Louisiana's and this nation's most precious natural assets. SONRIS serves as the gateway to accessing strategic and tactical resources by staff and stakeholders which include industry partners and the general public both nationally and internationally. SONRIS is a shining example of providing comprehensive and intuitive access to all of the artifacts under the department's purview via the Internet. The system provides real-time access to information related to oil and gas drilling/production, state mineral leases, coastal data, Home Energy Rebate Option (HERO) applications, the multi-agency Coastal Use Permits (CUPS) and much more. All of these features are powered by DNR's Oracle database engine using sophisticated queries supplemented by extensive mapping utilities and robust reporting capabilities. Advances in GIS technology makes generating and viewing maps substantially faster and less expensive with travel to DNR headquarters no longer required. Pre-built reports such as Conservation Scout reports is an example of voluminous paper reports which are now available at no charge to the public. SONRIS is an award-winning example of using data to drive decision-making and day-to-day operations. This translates into higher revenues to businesses, individuals, municipalities and the State of Louisiana as a whole. And, SONRIS continues to be the solid foundation from which the department continues to launch numerous cost-cutting initiatives designed to further streamline access to information and leverage limited resources.
- The Office of Mineral Resources is currently in the final testing phase of an online State Royalty Reporting system. The system is scheduled to be fully implemented in six to nine months. This system will allow payor companies to submit monthly state royalty reports online rather than mailing in hard copies of each report. The system has built in audit checks to ensure the information is submitted in accordance with State Royalty reporting policy and is mathematically accurate. Online reporting will greatly reduce the manual auditing of all royalty reports submitted each month. It will also reduce the number incorrect reports submitted. There are approximately 250 payor companies who submit approximately a total of 750 reports per month. Additionally, since the information will all be in electronic form, there will no longer be a need to image and archive hard copy reports.

## V. ELIMINATION OF DUPLICATIVE AND UNNECESSARY SERVICES

### a. List the activities of your department that fall outside of your constitutional and statutory mandates.

Field inspections and district offices within the Office of Conservation are not required but represent sound business practices to ensure compliance.

### b. Identify outdated activities that should no longer be part of the mission of your agency

In terms of outdated activities performed, prior to the event of online or automated data reporting all oil and gas production reports were submitted manually on paper reports. It is now possible to report this data online negating the need for manual input. Conservation rules could be changed to mandate electronic reporting and several FTEs eliminated. This would require many oil and gas operators to make a corresponding change and may require a change in law or rule.

### c. Identify duplication or overlap with other state agencies, with the federal government, or with public or private stakeholders groups.

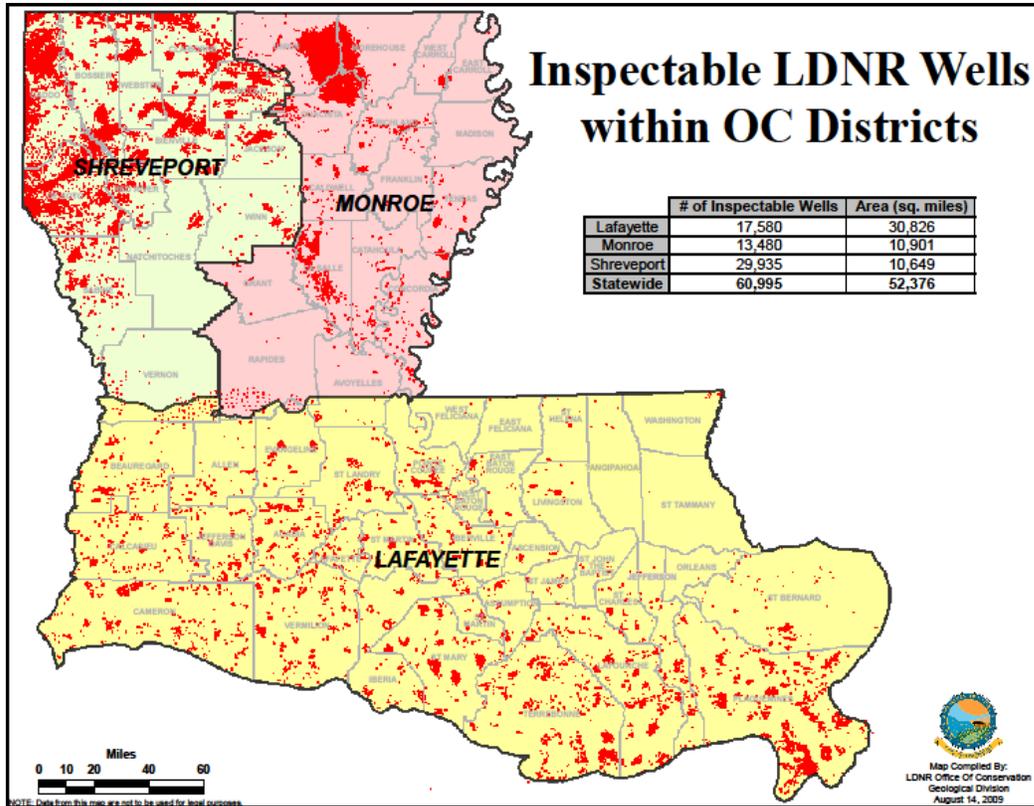
#### 1. Office of Conservation

- The Office of Conservation (OC) performs statewide inspection of oil and gas production facilities. There maybe an opportunity for partnering with the DEQ, who also performs statewide inspection activities to affect economies.

Many oil and gas well sites and facilities include equipment and materials that are subject to the jurisdiction of both OC and DEQ. As a result, there is some duplication of presence at certain sites due to each agency's implementation of separate inspection programs. Integration of these programs creates a potential for considering limited staff reduction ultimately resulting in cost savings. These savings are achieved through decreasing or eliminating areas of overlap and increasing inspector flexibility and efficiency while maintaining the current levels of service.

Currently, the Office of Conservation operates three district offices which are located in Lafayette, Shreveport and Monroe (Fig. 1). Statistics for each of these district offices are included in Table 1. A total of 37 Conservation Enforcement Specialists (CES) (5 funded in the OSR Program) are assigned to the districts and carry out the various inspection functions listed in Table 2. There are an additional 7 CES reporting directly to Injection and Mining (I&M) Division in Baton Rouge that are tasked with functions solely related to Underground Injection Control (UIC) program (Table 3). Under the integration scenario described below, all 44 inspectors would be capable of performing all current Engineering and UIC inspection functions.

**Office of Conservation Districts with Active Wells**



**Office of Conservation District Office Statistics**

District	Total Staff	OC Inspection Staff	Area (sq. miles)	No. of OC Active Well Sites
Lafayette	28	17	30,826	17,580
Monroe	11	7	10,901	13,480
Shreveport	23	13	10,649	29,935
<b>Total</b>	<b>62</b>	<b>37</b>	<b>52,376</b>	<b>60,995</b>

**Table 2 – OC Engineering Division CES Functions**

- Perform routine inspections of exploration and production operations (onshore and offshore), injection wells, pits and related facilities to assess compliance with State regulations.
- Inspect well construction and witness casing pressure tests.
- Witness state potential tests to determine well productivity.
- Oversee Oilfield Site Restoration Program abandonment operations.
- Conduct surveys to detect presence of Naturally Occurring Radioactive Material (NORM).
- Witness plugging and abandonment operations.
- Respond to landowner and mineral owner complaints.
- Provide guidance to industry and the public regarding OC regulations.
- Inspect reported spill incidents.

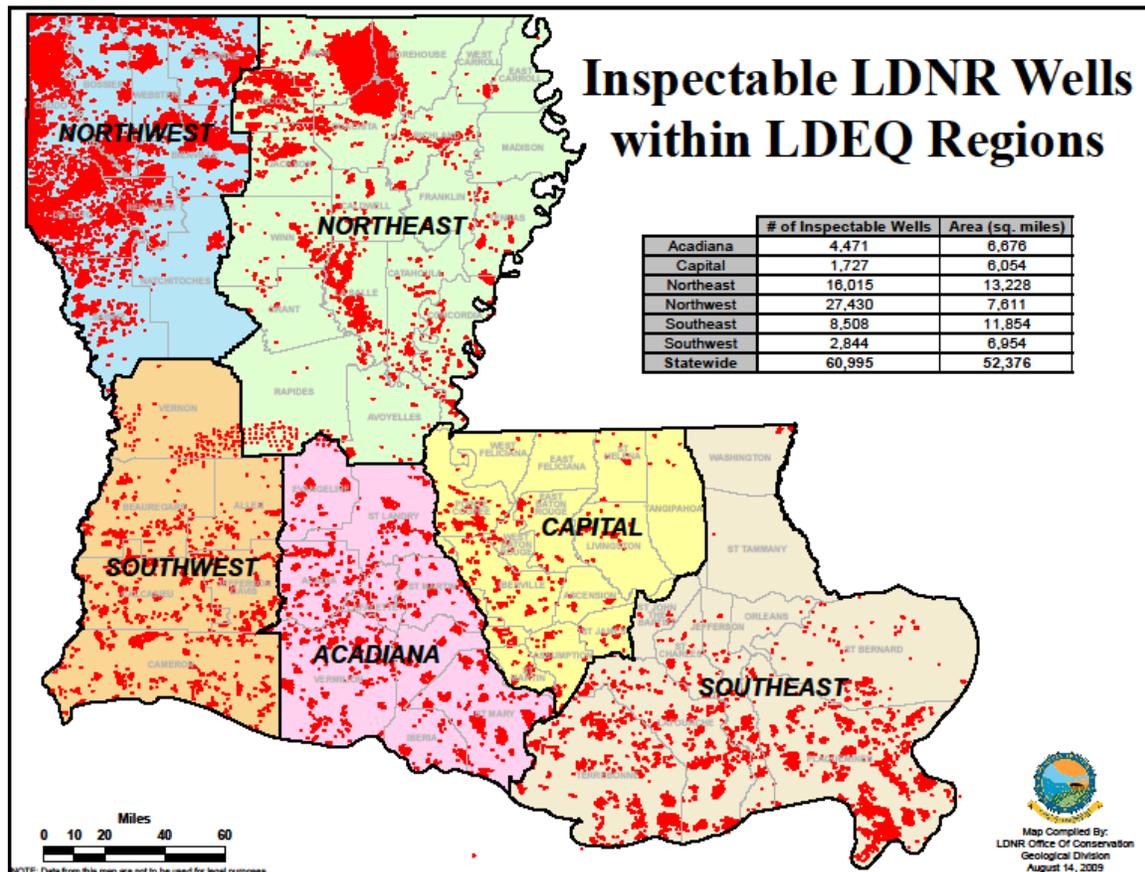
**Table 3 – OC Injection and Mining Division CES functions**

- Perform routine well and site inspections for compliance with UIC regulations.
- Witness Mechanical Integrity Pressure Test (MIPT) on a periodic schedule and after all workovers.
- Witness testing required by specific injection permits
  - Static Fluid Level tests
  - Radioactive Tracer Surveys
  - Pressure Buildup/Falloff Tests
- Inspect injection well construction and witness casing pressure tests.
- Witness plugging and abandonment work for UIC wells
- Inspect reported spill incidents involving produced salt water.

The DEQ surveillance program is multi-media inspection program that includes approximately 92 inspectors working out of 8 offices located in 6 geographical regions (Table 4 and Figure 2). Each inspector has a primary focus in one of the following regulatory areas: Radiation; Air Quality; Water Quality; Solid and Hazardous Waste; or Underground Storage Tanks. However, all inspectors are cross-trained and capable of handling routine inspections in any regulatory area.

Acadiana (Lafayette)	11	6,676	4,471
Capital (Baton Rouge)	20	6,054	1,727
Northeast (West Monroe)	10	13,228	16,015
Northeast (Pineville)	3	NA	NA
Northwest (Shreveport)	11	7,611	27,430
Southeast (New Orleans)	20	11,854	8,508
Southeast (Lockport)	4	NA	NA
Southwest (Lake Charles)	13	6,954	2,844
	92	52,377	60,995

Table 4 – DEQ Regional Office Statistics



Although there is an overlap for many of the sites and facilities that are

inspected, each agency’s inspectors perform specialized functions. As a result, training is a primary component of any integration process. All required OC training is currently obtained on the job. DEQ training includes on-the-job training and self-study modules (web-based) and classroom instruction provided by the Environmental Protection Agency (EPA).

In addition, DEQ inspectors (Environmental Scientist, Environmental Chemical Specialist) are currently required to have a four-year baccalaureate degree in either chemical engineering, mechanical engineering, or a qualifying scientific field of study. In contrast, although CES positions also have a four-year baccalaureate degree requirement, four years of sub professional oil or gas experience is allowed as a substitution. The majority of CESs currently employed do not have degrees. Table 5 below provides a summary of the job classifications, requirements and compensation levels.

**Table 5 - DEQ Regional Office Statistics**  
DEQ

Title	TS	Min Annual Salary	Max Annual Salary	BS	Exp. in lieu of BS
ENVIRONMENTAL SCIENTIST 1	308	\$29,869	\$59,488	Scientific Field	NO
ENVIRONMENTAL SCIENTIST 2	309	\$31,970	\$63,648	Scientific Field	NO
ENVIRONMENTAL SCIENTIST 3	311	\$36,608	\$72,862	Scientific Field	NO
ENVIRONMENTAL SCIENTIST 4	312	\$39,166	\$77,958	Scientific Field	NO
ENVIRONMENTAL CHEMICAL SPEC. 1	312	\$39,166	\$77,958	ME/ChemE	NO
ENVIRONMENTAL CHEMICAL SPEC. 2	313	\$41,912	\$83,408	ME/ChemE	NO
ENVIRONMENTAL CHEMICAL SPEC. 3	314	\$44,845	\$89,253	ME/ChemE	NO

**DNR**

Title	TS	Min Annual Salary	Max Annual Salary	BS	Exp. in lieu of BS
CONSERVATION ENFORCEMENT SPEC. 1	306	\$26,083	\$51,958	Any *	YES (4)
CONSERVATION ENFORCEMENT SPEC. 2	307	\$27,914	\$55,598	Any *	YES (4)
CONSERVATION ENFORCEMENT SPEC. 3	309	\$31,970	\$63,648	Any *	YES (4)

Integration may be achieved by creating an “Oil and Gas” regulatory area within the DEQ inspection program. Several CES from OC would be embedded within each DEQ regional office to conduct oil and gas related inspections, provide on-the-job training to DEQ inspectors, and receive any DEQ training necessary to develop the capability to perform inspections in any regulatory area. This scenario would result in a flexible workgroup capable of carrying out any required inspection and surveillance duties.

High and mid-level meetings with DEQ will be required to further study the integration process, identify potential impediments and solutions, and attempt to quantify potential costs and savings.

Information Technology (IT) support will be necessary to integrate database functions and computer-based inspection report entry and management systems. Acquisition of formal self-study training modules or registration in formal

training courses on oil and gas operations for DEQ inspectors will be necessary to maintain the current levels of service and decrease the amount of on-the-job training required for DEQ inspectors, since staff available for performing the training will be limited. The broad scope and level of complexity of DEQ regulations and inspections, coupled with sub-professional CES incumbents, could present a training challenge.

EPA approval of the integration plan, since the UIC program is required to have CES dedicated to performing UIC well tests and inspections.

Savings will be achieved by reducing the overlap between inspectors in each agency while maintaining the current level of service. Full integration may result in the potential to eliminate some inspector positions. This assumes all inspectors are currently at or near work product capacity. Following the completion of the integration project, a more accurate analysis of savings could be determined.

## 2. Office of Conservation – Pipeline Division

- Currently, the Public Service Commission and the Office of Conservation share regulation of the intrastate natural gas system. Although our efforts are not duplicated, the potential for savings and efficiencies may exist through combining these efforts.

## 3. Office of Coastal Management

- The Office of Coastal Management is currently reviewing the effectiveness of co-locating permitting staff. This would be an overhaul of the permitting process within three (3) agencies (DNR, DEQ, DWF). The DNR Office of Coastal Management is charged with implementing the Louisiana Coastal Resources Program (LCRP). This program seeks to protect, develop and, where feasible, restore or enhance the resources of the state's coastal zone. Its broad intent is to encourage multiple uses of the resources and adequate economic growth while minimizing adverse effects of once resources use upon another without imposing undue restrictions on any user. Besides striving to balance conservation and resource use and development, the LCRP also seeks to resolve user conflicts, encourage coastal zone recreation values and determine the future course of coastal development and conservation.

Dual authority for wetland permitting exists between the US Army Corps of Engineers and the OCM. In addition, Water Quality Certifications are required from LDEQ prior to issuance of a Corps Permit, and other resource agencies are provided the opportunity to comment on coastal use and corps wetland permits. These agencies include Louisiana Department of Wildlife and Fisheries, US Fish & Wildlife, NOAA Marine Fisheries, Office of State Lands and others. In the first quarter of 2009 OCM was successful in co-locating a seasoned regulatory Corps employee at the OCM office. This has provided a greater level of customer service by providing a one stop shop for pre application meetings and ensured consistency and better communication between Corps and OCM staff which has resulted in a more streamlined and efficient process. Applicants now not only have the added convenience and speed that come with having access to

both DNR and the Corps of Engineers in the same centrally located office, but DNR staffers also have improved ability to train with the Corps of Engineers on the latest federal requirements for applications and mitigation – meaning greater coordination in assessing and processing coastal use permits. It is expected that additional co-location of staff who are integrally involved in wetland permitting would further the efficiency and effectiveness of the program. Specifically, it is recommended that an additional US Army Corps of Engineers staff member, LDEQ Water Quality Certification staff member, LDWF staff member and US Fish & Wildlife staff member should be co-located with OCM.

#### 4. Office of Coastal Management

- The Office of State Lands (OSL) within the Division of Administration and Office of Coastal Management (OCM) within the Department of Natural Resources share similarities in mission, goals and activities in that they both manage natural resources of the State and consideration should be given to consolidation of functions where efficiencies and improvement in customer service may be realized. Both Offices manage State resources with consideration of multiple users and competing interests while maximizing the benefit of the resources for the State and its citizens. Both Offices contain robust GIS sections that would likely achieve greater efficiency if integrated into one Office. Additionally, the Office of State Lands is integral to the Atchafalaya Basin Program within the Office of Coastal Management and the Office of Mineral Resources within DNR. Potential integration of these offices under one Department would lead to a unified effort that will ensure resource protection, citizen access, improved customer service, resolution of resource user conflicts, and maximization of the economic potential of these resources to benefit the State. It is likely that consolidation of the Offices would not only achieve efficiencies but increase state revenues and citizen access to our resources.

Analysis of the consolidation of programs within the Office of Coastal Management and Office of State Lands will ensure that efficiencies and cost reduction opportunities have been thoroughly evaluated. Opportunities for efficiency and customer service improvements with net cost reductions that are identified through this evaluation should be implemented.

#### 5. State Energy Office

- Potential consolidation of the Louisiana State University Center for Energy Studies and the State Energy Office. The overarching goal of the state funded activities is to provide energy data and analysis to support policy making relative to energy issues. There are potential overlaps of this function performed by the LSU Center for Energy Studies and therefore an opportunity to outsource the state funded activities in order to reduce state funded staff and realize potential savings. This would include the research, compilation and management of energy data, energy analysis and energy reports that are currently performed by the state funded activities. Outsourcing this function could result in the elimination of the IT Data Manager position from state funded activities and a transfer of the position to federally funded activities. The potential annual general savings from reducing state funded activities is \$120,000.

#### 6. Miscellaneous

- Louisiana has three (3) of its twenty (20) executive branch departments, focused on resource management (DEQ, DNR, DWF). Information is enclosed herewith on recent changes in the state of Kentucky to streamline these efforts. This information is provided for review only and does not necessarily reflect the opinion of DNR.
- Kentucky Governor Steve Beshear created the **Energy and Environment Cabinet**, through Executive Order 2009-538 on June 12, 2009. The cabinet was created and established, and shall be headed by a secretary appointed by the Governor. The overall goal of abolishing the Environmental and Public Protection Cabinet and establishing the EEC is to enhance services provided to the regulated community and energy related sectors in Kentucky.

The Secretary shall be responsible for making changes to the department, divisions, and organizational units within the newly created Cabinet. These commissions were also established:

- Kentucky Nature Preserves Commission
- Kentucky Environmental Quality Commission
- Kentucky Public Service Commission
- Kentucky Mine Safety Review Commission

Office of Secretary shall be comprised of:

- Office of Legislative and Intergovernmental Affairs
- Office of Administrative Hearings
- Office of General Counsel

The creation of the Cabinet should allow for a more efficient and effective use of state resources in critical areas of environmental protection, mine safety, natural resources management, and energy policy development. The Energy Cabinet will consist of three departments:

**Department of Natural Resources:** The Division of Oil and Gas will remain with DNR under this plan, and included establishment of Permitting Review and Compliance Branch. It will also include divisions dealing with mines, and forestry.

**Department of Environmental Protection:** The department's reorganization will improve its ability to fulfill its state and federal mandates of protecting human health and the environment. Department will include Divisions of Waste Management, Division of Water, Division of Air Quality, Division of Enforcement and the Division of Compliance Assistance

**Department of Energy Development and Independence:** with the creation of the Department of Energy Development and Independence, the state's energy programs are elevated to cabinet level to help the state achieve its energy development and energy security goals.

## VI. CIVIL SERVICE AND EMPLOYEE BENEFITS

**a. List and identify any current initiatives or ideas related to employee benefits, hiring and promotion, and other employee regulations**

- The Louisiana Civil Service Rules allow for layoffs of probationary employees without approval by the Department of Civil Service, and without affecting permanent staff. In January 2009, due to the uncertainty of funding during the upcoming appropriations cycle and reviewing the possibility of current year budget cuts, the Department of Natural Resources instituted a departmental policy that extended probationary time for new employees from 12 months to 18 months. This decision was implemented to afford the department maximum flexibility in dealing with budgetary cuts. In the event that budget cuts are implemented, the department would have the option of laying off the probationary employees first.

On July 29, 2009, while still focused on budgetary concerns in the state, DNR decided to extend these probationary periods from 18 months to 24 months; which is the maximum allowed by civil service rules. As employees reach 24 months of service, a decision will have to be made in consultation with the agency appointing authority on whether or not to grant permanent status. The only options at that time are to either grant permanent status or remove the employee from the position.

- Health saving accounts
- Consider a reduction in merit increases from 4% to 2%

**VII. STUDIES AND OTHER RESOURCES**

**a. List studies (with a brief description) your agency has conducted that maybe of interest to the Commission.**

- Work flow study by Xerox Corporation in 2003 for permitting system within Office of Coastal Management.
- Economic impact of Haynesville Shale, Dr. Loren Scott, May 2009
- Royalty in kind feasibility study, October 2004
- Marginal Oil & Gas Production in Louisiana: An Empirical Examination of State Activities and Policy Mechanisms for Stimulating Additional Production prepared by Center for Energy Studies/LSU, April 2004.

**VIII. AGENCY BEST PRACTICES**

a. **List and identify any current successful streamlining initiatives taking place (or has taken place) within your agency.**

Office of the Secretary:

- The Strategic Online Natural Resources Information System (SONRIS) is an example of providing complete user friendly access to all of the records of the department through the internet. The system provides retrieval of online, real-time information related to oil and gas drilling/production, state mineral leases, coastal data, Home Energy Rebate Option (HERO) applications, and much more, all from the DNR Oracle database using sophisticated queries. And also provides pre-built reports such as Conservation Scout reports in Adobe Acrobat PDF format which were formerly paper reports provided for a charge to the public.
- Act 523, approved by the 2009 Regular Session, provides that administrative back support to the Office of Coastal Protection and Restoration (OCPR), including fiscal, contractual, purchasing, procurement, and human resources will be provided by the Office of the Secretary/Management and Finance, Department of Natural Resources (DNR). The provision of the administrative back support provides economies for both the OCPR and the Department of Natural Resources. To finance this administrative back support; DNR receives both an IAT from the Coastal Protection and Restoration trust fund and indirect cost from federal programs administered by this office. This is an economizing best practice in that staff maintained by DNR does not have to be duplicated by the newly created Office of Coastal Protection and Restoration for the provision of similar services. This provision of back support for administrative services by DNR also relies heavily on maintaining both DNR and OCPR staff with the institutional knowledge and expertise to manage the delivery of services in a timely manner.
- DNR has also been in the forefront of eliminating state issued cell phones and personal assistant devices by providing a stipend to employees who in turn provide their own. This innovative program designed by DNR, required the approval of the State Civil Service Board. Approval of the proposal was obtained from State Civil Service in May 2009. Following the lead of DNR, other state agencies have followed suit and received approval from Civil Service to implement this policy for their respective agencies.

The stipend is spread over the employees twenty-six pay periods, and appears on the employee's remuneration statement as earned income. Participants must be certified by the appointing authority as requiring a device prior to participation in the program.

This procedure has proven to be cost effective and eliminates the need for usage audits of state owned devices, and as well as the need for purchase, upgrades, and maintenance of phones, personal assistant devices, blackberries. Employees are required to purchase their own devices and pay for all fees, maintenance, and upgrades, and replacements.

Office of Mineral Resources:

- Act 196 of the 2009 Regular Session changed the name of the State Mineral Board to the State Mineral and Energy Board to better identify the role the Board. Currently, the Board has statutory responsibility to lease state lands for the exploration and production of oil and gas; and renewable energy sources such as geothermal and wind. With this defining name change Louisiana is poised to continue being at the forefront of energy production in the country.
- To enhance a customer friendly environment, OMR has addressed its processes to reduce time delays and paper. The results have been that an online nomination process was created which allows the nominating party to prepare the nomination and submit online. This process has reduced the staff time required to receive nominations, prepare invoices, and enter nominations into the system. This has reduced the processing time between the nomination of a tract and it being offered for lease from ninety (90) days to seventy (70) days, approximately. These efforts continue to be analyzed for increased efficiency. As more demand for renewable energy sources evolve, the efficiencies developed in the leasing and management of oil and gas exploration and production, will transfer to the renewables.
- The function of the Office of Mineral Resources (OMR) is to ensure that the state is getting optimal return on its leasing for energy production by the use of audits and money management. Act 519 of the 2006 Regular Session mandated that payors of \$50,000 or more must wire transfer their funds to the department. This has reduced the amount of interest the state lost on the floating of the checks, eliminated NSF checks and saved staff time in processing checks for deposit. The Field Audit Tracking process has been streamlined such that the duties have been combined with other auditor's duties. The auditor previously assigned to Field Audit Tracking now works as a full time Field Auditor. The audit function is being enhanced by the development of a Property Manual that details the steps the audit staff shall use to determine how much royalty the state should be getting. Further technology enhancements such as audit software will allow the staff to audit more aggressively with volume audits.

#### Office of Coastal Management:

- The Office of Coastal Management underwent a re-organization in January 2009 to create efficiency and provide better service to the public. The Permitting/Mitigation/Support Division and Interagency/Field Services Division were created to better align the functions performed by the Office and streamline processes. The Office as also taken on several new initiatives that were identified as impediments to the function of the Office. In addition, the Atchafalaya Basin Program was placed under the authority of the Office of Coastal Management through a memorandum of understanding with the Office of the Secretary to provide for sharing of resources and staffing between the two groups.
- Co-location of seasoned Corps of Engineers regulatory personnel in the OCM Baton Rouge office. Another aid to efficiency and better coordination with coastal use permitting is the partnership between DNR's Office of Coastal Management and the U.S. Army Corps of Engineers where the Corps of Engineers has co-located one of its seasoned regulatory employees with DNR.

Having DNR's coastal staff and a member of the Corps of Engineers' team sharing space means better communication and coordination between the agencies and more efficiency in the regulatory review process. The arrangement provides opportunities to cut the time needed for resolving differences in state and federal regulatory requirements for coastal use permits, and the overall application processing time, without sacrificing either agency's responsibilities for regulatory protection of coastal resources. Applicants now not only have the added convenience and speed that come with having access to both DNR and the Corps of Engineers in the same centrally located office, but DNR staffers also have improved ability to train with the Corps of Engineers on the latest federal requirements for applications and mitigation – meaning greater coordination in assessing and processing coastal use permits.

- Development and promulgation of the Beneficial Use regulations to further streamline the coastal use permitting process and increase the quantity and quality of beneficial use of dredged sediments (increase the amount of land and marsh created or enhanced) This is another new initiative in the works that will increase the amount of dredge material used to preserve and sustain Louisiana's coast – known as beneficial use – while simplifying and streamlining the permitting process for companies. Since 1980, coastal use guidelines have required beneficial use of dredged material to maximum extent practicable, but only a fraction of sediment dredged has been used for that purpose. Under the current system the permit applicant either proposes to beneficially use the material or provides information that beneficial use is not feasible. This feasibility evaluation has led to significant permit processing delays in the past. However, under the proposed rules, the applicant is not required to conduct a feasibility analysis. They just simply choose one of the four options for beneficial use. This streamlined process will reduce the time to process permits and increase the quantity and quality of material beneficially used to create land and coastal marshes.

#### Office of Conservation:

- Improved productivity and streamlining was achieved through development and implementation of computer-based field inspection reports. These reports allow the Engineering, Injection and Mining, and Pipeline Divisions' Conservation Enforcement Specialists (Inspectors) to utilize their laptop computers in real time from field locations. The on-line reports minimize errors, reduces processing times, transforms the inspection process into a paperless workflow, creates a tool for strategic management of field resources (Inspectors) which results in improved efficiencies and service delivery. Additionally, the system includes a GIS component which facilitates improved site location determination and maximized resource utilization.
- Streamlined well log imaging whereby logs are imaged by a private firm (under a cooperative endeavor), and then transferred to DNR for the SONRIS document image application, and available for viewing on the web. This well log imaging partnership with the private sector and the Office of Conservation has resulted in an outsourcing of a critical daily function with no cost to the State

- Organizational changes were implemented, and are currently under development, to improve business functionality and efficiency. In 2007, the former Groundwater Resources Management Division was merged with the E&P Waste Management and Legacy Site Remediation programs, formerly under the Injection and Mining Division, to create the Environmental Division. This move allowed for greater staff crossover training and utilization to focus staff in areas where most needed in a timely manner. In 2009, personnel changes were implemented creating an assistant director and public education / outreach position within the division to better utilize existing staff resources to address increased workload due to legacy settlement and referral activity and ground water resources program activity. Currently, the Secretaries' of DOTD and DNR, and the Commissioner of Conservation have begun working toward finalizing a Memorandum of Understanding to establish the timing and manner of the transition of the responsibilities relating to water wells and water well drillers from DOTD, Office of Public Works, to DNR, Office of Conservation as required by Section 3 of Act Number 437 passed in the Regular Session of the Louisiana Legislature, 2009. Act Number 437 was created to eliminate agency duplication with water well registration and database management.

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Agency	ACTIVITY	FY 2009-2010 Appropriation (1,000s)	Statutory & Constitutional Mandate	Comments/Descriptions	Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
Agency 431	Secretary Programs 1 Executive Administration							
		G.F. Other	T.O.					
01	Executive	84	5,878	4 La. R.S. 38:354A	Yes. Executive management provides leadership and direction in implementing the mission of the Department and to implement the Governor's and Legislature's directives.	This executive activity is vital to the Department's local mission in Louisiana and provides a liaison between the Department and the Governor's Office.	No duplication involved. The activities of the Department are unique to the Department's goals and objectives.	No.
02	Legal	95	382	4 La. R.S. 38:354A	Yes. This activity is necessary in the efficient administration of the Department's responsibilities as it relates to legal matters. They review contracts, cost-share agreements, and other documents which could have a legal or liability application for DNR or the state.	This is a necessary activity.	No duplication involved. The responsibilities are specific to DNR.	No, currently awarded legal contracts.
03	Public Information	70	181	2 La. R.S. 38:354A	Yes. The Public Information staff provides ongoing communication with the general public and is statewide media network of newspapers, broadcast news outlets, and news services through press releases, public service announcements, newsletters, informational packets, and other means.	The performance of these duties play an important role in the delivery of our services to the public.	No duplication involved. The responsibilities are specific to DNR.	No, daily involvement and knowledge of Department activities necessary to perform this function effectively.
Program 2 Support Services								
01	Executive	1,120	3,485	4 La. R.S. 38:356A	Yes. The Office of the Undersecretary is necessary to provide for the unity and coordination of the various divisions within the Office of Management and Finance.	This function is essential to the efficient operation of the Management and Finance program, which impacts the entire Department.	No duplication involved. The responsibilities are specific to DNR.	No.
02	IT	832	2,743	24 La. R.S. 38:356 (B)	Yes. Information Technology is needed to provide state of the art technology support to the offices and divisions within the Department ensuring them in carrying the mission of the Department.	It is needed to provide state-of-the-art high-technology support for its offices and divisions. Through IT, DNR possesses the ability to plan, implement and support complex information system projects, including its current major focus, the Strategic Online Natural Resources Information System - SONRIS.	No duplication involved. The responsibilities are specific to DNR.	No.
03	HR	131	411	6 La. R.S. 38:356 (B)	Yes. Human Resources provides all personnel related services needed in the department.	This is a necessary function.	No duplication involved. The responsibilities are specific to DNR.	No.
04	Fiscal	186	1,981	18 La. R.S. 38:356 (B)	Yes. Providing financial management services is a critical function maintaining compliance in accordance with local, state and federal regulations. These services are inclusive of accounting, budgeting, grant management, accounts payable, accounts receivable and other financial services of the Department's (OAR) Contribution Fund.	This section is needed to ensure that the Department and its offices have the resources to perform the program mission and ensure fiscal accountability.	No duplication involved. The responsibilities are specific to DNR.	No.

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AGCY	ACTIVITY	FY 2009-2010 Appropriation (1,000s)		Statutory & Constitutional Mandate	Commentary/Descriptions			
		G.F.	Other T.O.		Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
48	Contracts	61	230	La R.S. 39:504 (2)	The Contract and Grants Management Division prepares and processes all DNR contracts and oversees contractor selection to ensure that contractual obligations are entered into in full compliance with departmental policies, Division of Administration, Office of Contractual Review regulations and other applicable laws.	This position is needed to handle the mass number of contractual services for the department and the Office of Contract Protection and Reclamation.	No duplication involved. The responsibilities are specific to DNR.	No



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Agency	ACTIVITY	FY 2009-2010 Appropriation (\$,000s)		Statutory & Constitutional Mandates	Comments/Descriptions	Is this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?																	
		G.F.	Other																						
Conservation	Program 1 Engineering (including Executive)	23	1,948	<p>Louisiana Constitution, Article IV, Section 1; R.S. 307:41.4-46; L.S.A. R.S. 30:351 (State DOC in Enclosed Under DNR); R.S. 30:352; R.S. 30:357; L.S.A. - R.S. 30:358(C) - R.S. 30:358 (and function) L.S.A. - R.S. 40:268(B)(1) (review of agency rules &amp; fees by House Committee NR &amp; Env and Senate NR Committee)</p>	<p>Internal between private corporations, the regulated communities and the public's interest for unbiased regulation and authority related to the protection of their health and environment, and preservation of the state's natural resources. By law Oil and Gas Hearings are scheduled and conducted by the Commissioner or his designee as the hearing officer. The Commissioner issues Conservation Order (See Geological Division activity). This Division promulgates rules and provides legal guidance for the Office of Conservation's operations on promulgating rules. Additionally, the Commissioner's operations on promulgating rules. Additionally, the Agency special legal challenges to Conservation orders and rules at the Division of Administrative Law and Louisiana Judicial Office and the Department of State Police. The Department of State Police, Office of Conservation, Engineering, and the Pipeline Divisions have been tasked</p>	<p>No, there is no duplication or overlap with other agencies, federal or state or stakeholders.</p>	<p>No. Due to the specialized nature of the work, performed, privatizing or outsourcing activities will result in the potential for conflicts of interest between contractors and the regulated community.</p>																		
		37	662					<p>Yes. This Division has jurisdictional authority to regulate the exploration and production of oil and gas through regulation relating to the conservation of oil and gas and protection of the conservation rights of all parties involved in these activities.</p>	<p>Yes. The activities are relevant and necessary to protect the state's natural resources and protect public safety and the environment. Not equally mandated, but the program was enhanced in 2007 to establish minimum inspection requirements. Although 2 years?</p>	<p>None.</p>															
		138.6	1,000.4								<p>Yes. Provides local personnel for oversight of oil &amp; gas exploration and production activities. rule enforcement. consistent</p>	<p>Evaluation of the appropriateness of the implementation of DEO inspection was pending about the contract.</p>	<p>Industry self inspection another privatization may be possible.</p>												
		138.6	286.6											<p>Yes. Permits could be issued in Basin Rough.</p>	<p>None.</p>										
		138.6	575.0													<p>Yes. Provides local personnel for oversight of oil &amp; gas exploration and production activities. rule enforcement. consistent</p>	<p>None.</p>								
		138.6	687.8															<p>Yes. Provides local personnel for oversight of oil &amp; gas exploration and production activities. rule enforcement. consistent</p>	<p>None.</p>						
		138.6	172.0																	<p>Yes. Provides local personnel for oversight of oil &amp; gas exploration and production activities. rule enforcement. consistent</p>	<p>None.</p>				
		138.6	608.7																			<p>Yes. Provides local personnel for oversight of oil &amp; gas exploration and production activities. rule enforcement. consistent</p>	<p>None.</p>		
																								<p>Yes. Provides local personnel for oversight of oil &amp; gas exploration and production activities. rule enforcement. consistent</p>	<p>None.</p>
		<p>Yes. Provides local personnel for oversight of oil &amp; gas exploration and production activities. rule enforcement. consistent</p>	<p>None.</p>																						

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Agency	ACTIVITY	FY 2009-2010 Appropriation (1,000s)		Statutory & Constitutional Mandate	Comments/Descriptions		Is it possible to Privatize or Outsource this activity?
		G.F.	Other		Is Activity Relevant to the Mission? Please explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	
04	Oilfield Site Restoration		833	R.S. 30:1(B)	<p>The program operates with a minimum number of personnel. Field inspectors, positions and other staff are not assigned to an O&amp;G project. Other sites economic development or industry former sites to be returned to commercial.</p>	<p>There is a possible overlap with the Inspection function in DEQ.</p>	<p>No. Potential conflicts of interest exist due to private funding and the potential for the work. Contractors are already used to perform the projects developed by the program and are solicited through the competitive bid process.</p>
06	Inspection/Enforcement		408	R.S. 30:1 (C) & (D)	<p>Yes. Rule enforcement ensures compliance with applicable regulations thereby ensuring conservation of natural resources and protection of public safety. The program is a critical function for the oil and gas industry to ensure that all owners/operators are protected. All wells are drilled with regard to the safety of the public. All accurate data is recorded. All the company in violation and the well is in compliance with the rules and regulations of the Office of Conservation.</p>	<p>The program cannot be eliminated because the functions are necessary to conserve natural resources and protect the safety of the public and the environment.</p>	<p>None.</p>
04	Normal-Reservoir		856	R.S. 30:4(C)(1)(A), (B) & (1)(C); R.S. 30:28(A), (B)(2), (B)(3), (B)(5), (B)(7) & (B)	<p>This program is the financial backbone of the oil and gas industry and the rights of the mineral owners in the State of Louisiana.</p>	<p>None.</p>	<p>No. Allowing private industry to regulate the oil and gas industry creates the potential for bias and conflict of interest.</p>

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		G.F.	Other		I.O.					
07	Production Audit	134	1,275	25	<p>Yes. Collect and audit oil and gas mineral production data and information from major mineral producers, providing a resource and foundation for protection of the mineral rights of landowners and conservation of the oil and gas resources. This information provides an important data repository for the determination of state and gas mineral revenue and taxation and is utilized by various state and local government agencies, industry groups, taxpayers, legislators, and the general public.</p> <p>Yes. This Division's activities are relevant to the Commissioner's mandate to protect the mineral rights of oil and gas mineral owners and conservation of the mineral resources of the State. The audits primarily provide information leading to the issuance of the Office of Conservation Orders. At every step, the procedure is designed to protect the performance of the State, including the cross-examination of all available geologic, geophysical, engineering and other pertinent information. Based on such activities, the Division makes due recommendations to the Commissioner, and crucial contributions to his decision making process and accomplishment of his mission.</p>	<p>Yes. This program may be overhauled but not eliminated. This program has been enhanced to provide online reporting capability to the industry. The program is currently being studied to evaluate the reduced industry reporting through the on-line system. This information helps to streamline state oil and gas mineral revenue and taxation and is utilized by various state and local government agencies, industry groups, taxpayers, legislators, and the general public. It may be possible to change the rules to mandate electronic submission, which would eliminate the need for manual reporting.</p> <p>None</p>	<p>Yes, production and electronic reporting may allow for reduction of this effort. Should be analyzed for the case savings. None.</p>			
08	Geological Oil & Gas		881	137	<p>R.S. 30:6 A, B, E and F</p>	<p>No. This program cannot be streamlined, and no overhaul is necessary. It is vital in maintaining acceptable performance levels, that are essential for the regulation of exploration for and production of oil and gas and related activities for collective rights in the state as mandated under the authority of the Commissioner.</p>	<p>No. There is no duplication or overlap with other agencies, federal or state or stakeholders.</p>	<p>No. A conflict of interest would occur if such action were taken, resulting in questions of ethics. The interests of hearing review and advice to the Commissioner are under strict rules of procedure, formalized after many years of consideration and legal study.</p>		
01	Pipeline Operations/Executive	128	343	2	<p>R.S. 30:4 C (12) and (17), RS 30:546</p>	<p>Yes. The timely review and processing of applications for public hearing (if warranted) for interstate natural gas pipelines ensure the supply of natural gas for public needs and safety and emergency situations for stakeholders. The Commissioner prepares the Natural Gas Emergency Declaration, for the Governor's signature, in times of natural gas shortage, which seeks to ration natural gas supplies during times of operations, energy operations of businesses and industries. Review and processing of carbon dioxide applications enhances the continued supply of energy by the oil and gas industry.</p>	<p>No other agency's changed with rules performed by this section.</p>	<p>No. By law Pipeline Hearings are scheduled and conducted by the Commissioner or his designee. The Commissioner issues Pipeline Orders after approval of hearing applicants, subject to permit activities. The Commissioner has the authority and the responsibility to maintain the adequate supply of interstate natural gas to the citizenry, businesses, and industries of Louisiana. The Commissioner is required to approve the operations of interstate natural gas pipelines. The above official actions of the Commissioner require consistent and consistent review of technical and practical data available resulting in a decision which best serves the public interest and energy needs of the State.</p>		

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AGCY	ACTIVITY	FY 2009-2010 Appropriation (\$,000s)		Statutory & Constitutional Mandate	Comments/Descriptions	Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
		G.F.	Other						
02	Pipeline Safety- Intracoastal Gas	107	1,037	R.S. 30:546	<p>Yes. Transportation and distribution of natural gas and other gases can threaten public safety and the environment. The program provides regulation and enforcement activities to ensure the safety of the public, integrity of the environment, and sound operation and maintenance of the State's pipelines.</p> <p>LDNR has entered into a certification agreement with the US DOT to regulate and enforce intracoastal pipelines. The program is under continual review to ascertain that the State's activities are performed to the Federal guidelines.</p> <p>No. The function and activities of this program are not performed or duplicated by any other federal, state, or local government agency. Federal pipeline safety regulations are adopted and enforced as mandated by the Certification. It should be noted the Public Service Commission also has some regulatory oversight for intracoastal natural gas pipelines. Although our efforts do not overlap, there may exist an opportunity to combine our joint efforts.</p> <p>No. Only government employees are allowed to conduct inspections of pipeline operations and their systems. Additionally, inspector specific federal training is mandated. Failure of the State to perform under the certification would result in the program being absorbed by US DOT resulting in reduction of pipeline pipeline facility inspections which may have a negative impact on public safety and the environment.</p>				

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Agency	ACTIVITY	FY 2008-2010 Appropriation (1,000s)		Statutory & Constitutional Mandate	Comments/Descriptions	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
		G.F.	Other					
03	Pipeline Safety- Hazardous Liquid	41	270	R.S. 30:103(A)	Yes. Transportation and detection of leaks of oil and other substances can threaten public safety and the environment. The program provides regulation and enforcement activities to ensure the safety of the public, integrity of the environment, and sound operation and maintenance of the State's pipeline.	LDR has entered into a Certification Agreement with the US DOT to regulate and enforce pipeline activities. This program is under continual review to ascertain that the State's activities are performed to the federal guidelines.	No. The function and activities of this program are not performed or duplicated by any other federal, state, or local government agency. Federal pipeline safety regulations are adopted and enforced as mandated by the Certification. See note above.	No. Only government employees are allowed to conduct inspections of pipeline operators and their systems. Additionally, pipeline safety certification would result in the Program being absorbed by US DOT resulting in reduction of interstate pipeline safety inspections which may have a negative impact on public safety and the environment.
					Yes. Removal of underwater obstructions protects the public safety of all private and commercial maritime activity as well as reducing the impact to commercial fishing.	This program is vital to protecting the public safety of private boaters as well as reducing the impact to commercial fishing.	NOAA and USCG are stakeholders and engaged in other obstruction surveying or removal.	No. Potential conflicts of interest exist due to inland boating and commercial nature of the work. Contractors are already used to perform the projects developed by the program and are selected through the competitive bid process.
					Yes. Regulating surface coal mine operations prevents adverse impacts to public health, safety and the environment. (see activity description)	Yes. The program assures the protection of public health, public safety and the environment by fully regulating all activities associated with surface coal mining, including hazardous and polluting substances (leak and storage of liquids and gaseous hydrocarbons with the goal of protecting underground sources of drinking water.	Overnight by Federal Office of Surface Mining requires mining operations within Louisiana remain in compliance with federal law.	No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry's would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.
					Yes. Remediation of abandoned mine sites reduces potential adverse impacts to public health, safety and the environment.	Overnight by Federal Office of Surface Mining requires identification and "reclamation" of abandoned mine sites.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.	No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry's would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.
04	Underwater Obstructions Inspection & Mining	18	288	R.S. 30:905(A) & (B)	Yes. The program assures the protection of public health, public safety and the environment by fully regulating all activities associated with surface coal mining, including hazardous and polluting substances (leak and storage of liquids and gaseous hydrocarbons with the goal of protecting underground sources of drinking water.	Overnight by Federal Office of Surface Mining requires mining operations within Louisiana remain in compliance with federal law.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.	No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry's would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.
05	Underground In Control	138	1,739	R.S. 30:4C (1)(3)(4); (5); (6); R.S. 30:41 (B) - (D);	Yes. The program assures the protection of public health, public safety and the environment by fully regulating all activities associated with surface coal mining, including hazardous and polluting substances (leak and storage of liquids and gaseous hydrocarbons with the goal of protecting underground sources of drinking water.	Overnight by Federal Office of Surface Mining requires mining operations within Louisiana remain in compliance with federal law.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.	No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry's would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.
06	Abandoned Mine Leads	381	381	R.S. 30:905(A) - (B); R.S. 30:41 (B) - (D);	Yes. Remediation of abandoned mine sites reduces potential adverse impacts to public health, safety and the environment.	Overnight by Federal Office of Surface Mining requires identification and "reclamation" of abandoned mine sites.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.	No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry's would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.
07	Commercial Waste-U.I.C.	135	398	R.S. 30:4C (1)(3)(4); (5); (6); R.S. 30:41 (B) - (D);	Yes. Remediation of abandoned mine sites reduces potential adverse impacts to public health, safety and the environment.	Overnight by Federal Office of Surface Mining requires identification and "reclamation" of abandoned mine sites.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.	No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry's would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.

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		G.F.	Other		T.O.					
Environmental	Legacy Sites Remediation Program	98	215	R.S. 30:29	<p>Yes. The program assures the protection of public health, safety, welfare and the environment by implementing statutory law and developing, implementing and enforcing administrative regulations, for site evaluation and remediation plans and clean up activities at oil and gas exploration and production (EAP) sites subject to, but not limited to, the provision of ACT 317 of 2006.</p>	<p>The program is mandated by statutory law (ACT 317 of 2006) and is administered by the Department of Natural Resources. However, administrative efficiency of the program may benefit from interdepartmental cooperation by separating the two main components of the program, i.e., legal administration and evaluation and remediation technical review and approval responsibilities, within the agency or department.</p>	<p>Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.</p>	<p>No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry it would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.</p>		
		213	20	R.S. 30:4 B and 1	<p>Yes. The program assures the protection of public health, safety, welfare and the environment by implementing statutory law and developing, implementing and enforcing administrative regulations for the control and production waste (EAP Waste) management activities including commercial transportation, treatment, storage, transfer and disposal operations, and permitting of commercial EAP Waste treatment and disposal facilities and transfer stations.</p>	<p>Elimination of a program developed and implemented to prevent uncontrolled and improper disposal of oil and gas industry EAP Waste fluids and solids such as crude oil and natural gas produce (both water, drilling, completion and production waste and other fluids) is not in the public interest. The agency's role in the efficient management of EAP Waste and administrative regulations developed under the Office of Conservation have undergone several organizational improvements and regulatory amendments since its origin in 1983 to address the challenges of the agency to assure proper protection of public health, safety, welfare and the environment.</p>	<p>There are clearly separate jurisdictional duties established by statutory law between the Department of Natural Resources and the Department of Environmental Quality. Certain regulations for all inspection and closure requirements are managed by the Engineering Division while Class II activities (Injection of EAP Waste fluids) is managed under the Injection and Mining Division's Underground Injection Control Program. The Department of Environmental Quality maintains jurisdiction and responsibility for addressing any impacts to the environment from the release of EAP Waste into the air or water resources of the state, as well as regulatory permitting of EAP Waste treatment and disposal facilities. Evaluation of the appropriateness of the segregation of DEQ inspection and permitting activities should be examined.</p>	<p>No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry it would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.</p>		
03	EAP Waste Mgt. Programs (Commercial Facilities)	151	98	R.S. 30:307.3	<p>Yes. The program assures the protection of public health, safety, welfare and the environment by implementing statutory law and developing, implementing and enforcing administrative regulations to preserve and manage the state's ground water resources (see activity description).</p>	<p>This program is mandated by statutory law and therefore cannot be eliminated without statutory amendment. The Office of Conservation recently overhauled the program's organization structure to insure agency resources and operating efficiency to address technical needs and improve public education and outreach (see item ACT 437 of 2006 further mandated the program). The program is administered by the Department of Natural Resources and the Office of Public Health and Safety (OPHS) and the Department of Transportation and Development (DOTD) to be implemented through an inter-agency Memorandum of Understanding to be effective January 1, 2010.</p>	<p>Duplication of efforts between DNR and DOTD will be addressed by Memorandum of Understanding (MOU) of well regulations and ensure inter-agency relationships with the Office of Public Health and Safety and with the Capital Area Ground Water Conservation Commission for wells permitted within their jurisdiction. No other duplication or overlap exists with other agencies at any level of government or relevant stakeholders.</p>	<p>No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry it would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.</p>		

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		G.F.	Other							
434	Mileage Program 1									
01	Executive	\$ 1,055		R.S. 30:135, R.S. 309 § 107	This activity is responsible for overall management of the office as well as legal, clerical, and information technology support to the State Mineral Board. Therefore, this activity is relevant to the mission.	This activity cannot be eliminated because the office performs a major source of revenue to the state general fund each year and effective management and support is imperative for a function of this importance. The program has already undertaken many initiatives in the past few years to streamline, modernize, and automate operations.	None	None	No. This activity provides management of the office as well as legal and clerical services to the State Mineral Board.	
02	Desk Audit (including revenue classifications)	\$ 1,408		R.S. 30:130(b) 14 Section 4(E)	This activity is responsible for performing desk audits of all royalty checks that accompany royalties paid to the state to ensure that the state has received all royalties to which it is entitled and the correct valuation for those royalties. This activity is also responsible for ensuring that all royalties collected are allocated to the correct policies and the correct state funds. Given that the program's mission is to maximize revenues to the state, this activity is relevant to the mission.	This activity cannot be eliminated because it provides for the proper collection and distribution of royalties to the state. This activity is responsible for ensuring that royalty income is collected in a timely manner and that all revenues are credited to the proper funds. This activity has already undertaken many initiatives in the past few years to streamline, modernize, and automate operations. These initiatives have resulted in finding recoverable payments more efficiently and having revenues deposited and classified sooner.	None	None	No. The year majority of operations of state mineral leases are conducted in Louisiana and Texas. The accounting laws in both of those states prohibit auditors from performing audits on a contingency fee basis. Contracting for audits on an hourly basis proven to be not cost effective. Also, due to the highly specialized nature of oil and gas accounting, finding an accounting firm with sufficient knowledge and experience that did not have conflicts of interest would be virtually impossible. Furthermore, some of the royalty audits result in litigation that lasts for many years, which would be beyond the term of a professional service contract.	
03	Paid Audit	\$ 1,278		13 R.S. 307:408.7	This activity is responsible for performing field audits of royalties paid to the state. These audits involve travel to lease locations and physically examine production and sales documents as well as other source documents to ensure that the state has received the correct amount of royalties. Millions of dollars in unpaid or underpaid royalties have been identified and collected through this activity.	This activity cannot be eliminated because it generates millions of dollars in royalty revenue. Over the past ten years, we have collected an average of more than \$1 million per audit per year in unpaid or underpaid royalties. Program administration would force the State to rely on voluntary compliance.	Possible opportunity with Louisiana Department of Revenue to cross train Auditor for severance tax audits			No. The year majority of operations of state mineral leases are conducted in Louisiana and Texas. The accounting laws in both of those states prohibit auditors from performing audits on a contingency fee basis. Contracting for audits on an hourly basis proven to be not cost effective. Also, due to the highly specialized nature of oil and gas accounting, finding an accounting firm with sufficient knowledge and experience that did not have conflicts of interest would be virtually impossible. Furthermore, some of the royalty audits result in litigation that lasts for many years, which would be beyond the term of a professional service contract.
04	Salaries Permitted	\$ 222		1 R.S. 30:212	This activity is necessary as a precursor to oil and gas drilling and production. Given that the program's mission is to maximize oil and gas revenue, this activity is relevant to the mission. Salaries activity leads to mineral exploration and production.	This activity cannot be eliminated because if oil and gas companies are unable to conduct to conduct seismic survey, there will be a significant reduction in oil and gas activity.	None	None	No. The seismic license agreements do not allow for this data to be shared outside of this agency without specific permission from the seismic company.	

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		G.F.	Other							
05	Bid Evaluation & Lease Review	0	1,855	R.S. 30:127 R.S. 30:148.7	<p>This activity is responsible for evaluating bids for state mineral leases and making recommendations on those bids to the State Mineral Board. This activity is responsible for monitoring the progress of the lease process and the development of the lease. This activity is responsible for monitoring oil and gas production on property adjacent to or over state property to ensure that state mineral assets are not damaged by other development. This activity is also responsible for negotiating operating agreements with oil and gas operators and making recommendations on the terms of the operating agreements to ensure that the state is in the best interest of the state. Given that the program's mission is to maximize revenue to the state by managing state assets, this function is relevant to the mission. This location is relevant to the mission.</p>	<p>This activity cannot be eliminated because the State Mineral Board relies upon the expertise of the geologists and engineers to advise them on whether bidders have offered sufficient value for the leases. This expertise of geologists and engineers is required to determine whether leases are developing that leases in accordance with the terms of the lease. However, lease sales could be conducted less frequently than monthly, such as quarterly or bi-annually.</p>	<p>None</p>	<p>None</p>	<p>No. There are many firms that have geologists and engineers on staff that do oil and gas consulting work. Most of this work is done on a project basis, and over a relatively short period of time. The cost for any geological and engineering consulting work done on an hourly basis would be extremely high due to the high salaries paid in the oil &amp; gas business, and the need for the consulting firm to make a profit. O&amp;E work is continuous throughout the year with constant deadlines, and sometimes very tight lead times.</p> <p>Data confidentiality will also cause problems for outsourcing, especially for the 3-D seismic data, and the confidential data received from operators in the field area of the OCS. The seismic lease agreements do not allow for the release of this data to other parties. The data would be very sensitive to the state's economic interests and would be highly confidential. Problems involved would include, but not be limited to:</p>	
06	Leasing	0	2,846	R.S. 30:126	<p>This activity is responsible for processing and advertising applications for mineral leases and issuing mineral leases awarded by the state mineral board. Given that the program's mission is to maximize revenue to the state by managing and administering the mineral and energy assets, this function is relevant to the mission.</p>	<p>This activity cannot be eliminated because leasing mineral leases ensures future revenues to the state. However, lease sales could be conducted less frequently than monthly, such as quarterly or bi-annually.</p>	<p>None</p>	<p>None</p>	<p>No. Because information for new leases is confidential and processing of applications could lead to violations of same, and any restrictions on processing of applications, including correcting errors and mistakes with the State Land Office would make outsourcing unworkable with the jurisdiction necessary, and the originality of documents which are stored and tracked would preclude outsourcing because of the possibility of loss of documents (which has already happened in the Office of Conservation). Above all, the use of mineral SONETS to administer the work would make necessary access to outsource data which compromises the original SONETS system not available to the public.</p>	
07	Lease Ownership Management	0	745	R.S. 30:129	<p>This activity is responsible for maintaining ownership records for all state mineral leases and making recommendations to the State Mineral Board regarding whether to approve requests for assignments of lease ownership. Given that the program's mission is to maximize revenue to the state by managing and administering the mineral and energy assets, this function is relevant to the mission. This location is relevant to the mission.</p>	<p>This activity cannot be eliminated because it is necessary for the state to know all of the leases to its leases.</p>	<p>None</p>	<p>None</p>	<p>No. Because the assignments fact for Mineral Board approval often have incorrect lease ownership indicated which requires staff to "rebuild" lease chain of title from our records to show where error occurred. This may necessitate securing additional financial leaseholder documents recorded in parish records, but never approved by the Board. Parish records handled by this section are often incorrect in description and require detailed review of "lease" chain and descriptions to correct errors and match lease base layer. Outsourcing would require work done by outsource parties to be checked by in-house employees. Any errors might require records to be destroyed or buried in records.</p>	
08	Funding of other DNR Agencies	0	5,113							
	Coastal Management Program 1	0	15,005	73						

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01	Executive Adm.	2,288	R.S. 30:351(C)(1)	Yes. Executive management provides leadership, guidance and coordination in upholding the mission of the department and to implement the Governor's and Legislature's directives.	This Executive activity is vital in keeping the department's local mission in focus and to provide a liaison between the department and the Governor's Office.	No duplication involved. The execution of the Office's operations on the functions and operations of the Office of Coastal Mgt. and provides the leadership needed to meet its goals and objectives.	No.	
02	Coastal Zone Management	2,227	42 P.S. 49:214.21 - 214.42	The program is structured to bring activities conducted in the LC coastal zone into compliance and consistency with the guidelines developed to meet the legislatively declared public policy. This policy is to "protect, develop, and where feasible, restore or enhance the resources of the state's coastal zone." The program is structured to ensure that competing uses and users of the state's coastal resources.	This program is the State Coastal Management Program. It can not be eliminated without removing regulatory oversight on activities in the Coastal Zone. Under this administration the program has undergone a review and reorganization to streamline permitting and ensure that the program is able to effectively protect the protection of coastal resources and marshes.	There is no duplication with other programs. Under the State program, funding is provided for approved local programs that perform some operating functions for projects deemed of local concern. There are some similarities and confusion with the Corps of Engineers 404 program, but the two programs are distinct and unrelated. There is some overlap as other resource agencies are involved in review of the permit applications. Such as State, mainly LDNR; for the federal agencies, USFWS, EPA, and NOAA. These agencies submit requests for funding to the State in order to do so. Funding is provided in the permit process and is provided in the decision on many permit applications.	Yes, the entire function of the office could be contracted, but there would likely be an impact on the state, would require the approval of NOAA in order to do so. Funding is provided to the state, but the state would require the approval of NOAA in order to do so. Funding is provided to the state, but the state would require the approval of NOAA in order to do so. Funding is provided to the state, but the state would require the approval of NOAA in order to do so.	
06	LOGCO	161	2 R.S. 30:2451 et seq	We are a designated natural resources trustee under the OSPMA legislation. We not only regulate the oil industry with respect to oil and gas exploration, lease, development, production and shut-in, but we also have the responsibility to regulate the oil and gas industry and establish appropriate protection of lost services resulting from unauthorised spills.	There are some opportunities here for reorganizing this program to address more resource impacts in a more efficient manner than it currently does. The development and implementation of a risk of spill prevention program that are currently going unregulated and which are resulting in significant impacts to coastal resources.	This is an integrated program involving all state and federal agencies (LDNR, DEQ, LDWF, USFWS, EPA, Coast Guard, NOAA, NRPIS as well as local governments). Each agency is responsible for their mandated resources conservation.	Since this is an integrated activity involving state and federal agencies providing and/or outsourcing the "state" portion might be difficult.	
04	Plaquemine's Gear Compensation Program	87	1 P.S. 56:700 - 700.5	The existing legislation delegates the responsibility for the program to LDNR. LDNR is responsible for managing coastal resources, how the resources are conducted, and balancing among the users.	Very little input has been detected in the last two years. No claims derived as a result of the program.	While there is a federal "fisherman's gear" program it does not operate under state waters or exclusive areas. It is strictly beyond state waters. No other state programs provide the services to the public that the program does.	N/A	