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GOVERNMENT OFFERS MEDIATION SERVICES TO SETTLE ROYALTY ISSUES

The U.S. Interior Department's Minerals Management Service (MMS) today announced the start of a pilot project that offers mediation services to resolve royalty disputes.

"Historically, disputes have often been resolved through costly and time-consuming litigation," said Acting Director Cynthia Quarterman. "MMS has found that many of the issues being litigated are better resolved through alternative dispute resolution (ADR) techniques such as mediation. By using ADR, we minimize delays in resolving disputes and decrease the considerable costs in pursuing litigation. That adds up to better government services for the American public."

Quarterman said this pilot project would address only royalty-based appeals. "We're looking for interested parties to join in the ADR process as well as mediators," she said.

Mediation is a facilitated form of negotiation. In mediation, a neutral third party--the mediator--holds a series of joint sessions and separate caucuses with the parties to assist them in reaching an agreement. Mediation is private, voluntary, non-binding, and confidential.

Specific goals of the ADR pilot project are to:

- reduce costs;
- streamline administrative processes;
- expedite resolution of administrative appeals; and
- ensure better compliance.

"MMS has made a firm commitment to ADR mechanisms because they offer a better forum for discussing and resolving MMS policy issues," declared Quarterman. "ADR also provides an opportunity for improving relationships between MMS and its royalty payors, and expanding options for resolving disputes."

Appellants who wish to apply for the ADR Pilot should submit

in writing:

- the points at issue;
- a proposed resolution, which may include a monetary offer;
- a Statement of Reasons or explanation showing why MMS should consider the ADR pilot to resolve the issues;
- the MMS docket number of the relevant appeal and any associated bill numbers;
- what type of ADR you wish to engage in: mediation, non-binding arbitration, or fact finding; and
- why you want to use third party ADR.

MMS and the payor must agree on the third party neutral mediator, or may request a neutral organization to propose mediators.

Applications to participate in the pilot or to serve as a mediator should be submitted to: Chief, Office of Enforcement, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS 3030, Denver, CO 80225-0165.

The ADR program was first announced in a June 13, 1994, Federal Register notice and is being advertised through a "Dear Payor" letter. Cases for the pilot program must be selected by September 30, 1995, after which MMS will review the project and decide whether to continue the use of third party neutrals and the conditions for such use.

MMS is the federal agency that manages the nation's natural gas, oil and other mineral resources on the Outer Continental Shelf, and collects and disburses revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

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