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MMS SERVICES AFFECTED UNDER SHUT-DOWN

Each day, the U.S. Department of the Interior's Minerals Management Service (MMS), provides service to customers including offshore operators, royalty payors, Indian Tribes and Allottees, 38 States, and the U.S. taxpayers. In a government shut-down, each is impacted.

"Every day, MMS employees work to assure that we're managing the public's natural gas, oil and mineral resources in the most efficient way possible through the oversight and inspection of offshore operations to ensure protection of the environment and operator safety, timely response to industry requests for permits. We are also responsible for assuring the prompt and accurate collection, verification and distribution of what averages to be \$17 million in revenues each day," said MMS Director Cynthia Quarterman.

During a typical day in the Royalty Management Program, MMS collects and processes on average \$17 million of which \$400,000 is distributed to the Indian Trust Fund at the Bureau of Indian Affairs (BIA) for payment to 29 Indian Tribes and 20,000 Allottees, approximately \$2 million is distributed to the 38 States with mineral production on Federal lands, and the remainder to the U.S. Treasury. An average of 205 checks and 35 wire transfers are received and processed, some 50 bills are issued to royalty payors for funds due, an average of 5 refunds are provided to royalty payors, and audit activities and other compliance endeavors collect an average of \$1 million.

On a daily basis in the Offshore Program, MMS issues an environmental assessment of ongoing production activities, processes 5 air quality reviews, performs 3 reviews of operator oil spill contingency plans, completes 15 to 20 inspections of offshore drilling and production platforms for incidents of non-compliance with regulations, processes 12 lease assignments, terminates 2 leases, and provides services and information to 50-60 visitors to our public information offices.

Under a shut-down, a skeleton crew of personnel will be on the job to respond to emergency situations involving life

threatening or pollution events and to receive and deposit in interest bearing accounts the revenues from royalty payors.

MMS is the federal agency that manages the nation's natural gas, oil and other mineral resources on the federal Outer Continental Shelf (OCS), and collects and disburses about \$4 billion yearly in revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands. The OCS is responsible for about 23 percent of our nation's domestic natural gas production and 14 percent of our oil.

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