

**U.S. Department of the Interior
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**PRESIDENT SIGNS FEDERAL OIL AND GAS ROYALTY SIMPLIFICATION AND FAIRNESS ACT INTO
LAW**

Today President Clinton signed into law the "Federal Oil and Gas Royalty Simplification and Fairness Act of 1996." The U.S. Department of the Interior's Minerals Management Service (MMS) Director Cynthia Quarterman joined the President at the ceremony in Jackson Hole, Wyoming. "This legislation marks a significant accomplishment for the Administration and supports our efforts in finding and implementing new ways to improve and streamline the federal royalty program. In signing this legislation, the President fulfills his pledge to the natural gas and oil industry a year ago in Wyoming to provide additional certainty, equity and simplicity in the royalty management program," said Quarterman.

"The Royalty Simplification and Fairness Act establishes certainty with a 7-year statute of limitations for all royalty collections. It establishes equity by requiring payment of interest to companies on overpayments to the government and by allowing the refund of overpayments to all federal leaseholders on the same basis. Finally, it encourages simplicity in the royalty management program. The law also opens new opportunities for states to share in the responsibility for royalty collection," Quarterman explained. "MMS has been actively seeking new ways to streamline and simplify aspects of the royalty program and at the same time has remained steadfast in its commitment to ensure the public gets a fair return on production of minerals from federal leases," she added. "I would like to thank the many individuals in Congress, states, industry, the Administration, and MMS who were the architects of this important bi-partisan legislation."

"Over the past two years, MMS has embarked upon a series of continuous-improvement initiatives to help make government work better and cost less, which is in the same spirit as this legislation," said Quarterman. "Thirteen initiatives have been implemented and have resulted in significant cost savings; regulatory reform with a prescriptive rather than compliance goal; state, federal and other constituent partnerships; and consensus-based decision making. Among them are several that are in accord with the provisions of this Act. For example, piloting an offshore royalty in-kind program; eliminating unnecessary reporting forms; reforming the bureau's assessment policy for late or erroneous reports; and streamlining the appeals process. This legislation is another example that working closely with all interested parties ensures we are acting as responsible minerals resource managers for the American taxpayer."

MMS is the federal agency that manages and regulates the Nation's natural gas, oil and other mineral resources on the Outer Continental Shelf (OCS), and collects, accounts for, and disburses about \$4 billion each year from offshore mineral leases and from onshore mineral leases on federal and Indian lands.

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