



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
WASHINGTON, DC 20240



MAR 30 1994

Dear Royalty Payor or Reporter:

In order to streamline and expedite the process by which a party may appeal an order or decision of the Royalty Management Program (RMP) of the Minerals Management Service (MMS), the RMP has been delegated authority to render decisions on routine appeals involving orders and decisions issued by RMP on Federal leases. The delegation of authority to render decisions on routine appeals, which was published in the Federal Register on March 16, 1994, a copy of which is attached hereto, was transferred from the Appeals and Litigation Support Division (ALSD) at MMS.

MMS regulations at 30 CFR 290, Appeals Procedures, provide rules and procedures on appeals to the Director of MMS (and the Bureau of Indian Affairs when Indian lands are involved) from final orders or decisions of officers of MMS. For routine appeals to the Director, the final agency decision was delegated to the Chief of ALSD in June 1993. Effective March 15, 1994, routine appeals on orders or decisions issued by RMP have been re-delegated through the Associate Director of RMP to the Chief of the applicable RMP office that issued the orders or decisions. MMS believes that routine appeals have similar issues that have been decided in prior cases. For purposes of this delegation, routine appeals are defined as:

- (1) appeals not timely filed;
- (2) appeals from an assessment for a required report filed late;
- (3) appeals from an assessment for failure to file a required report;
- (4) appeals from an assessment for an incorrectly completed report;
- (5) appeals from an assessment of interest for unpaid and underpaid amounts due (limited to factual issues involving the time value of money and non-precedent setting appeals);
- (6) appeals in which the appellant neglects to file a statement of reasons to justify modification of the RMP order or decision; and
- (7) appeals in which the RMP officer who issued the order or decision requests that the case be resolved at RMP because the order or decision is being rescinded.

Under the process to be used by RMP in deciding an appeal, the RMP office responsible for the original order or decision will examine the appeal and any statement of reasons provided by the appellant to modify the RMP directive, issue a report to the appellant for comment, and render a final MMS decision. Moreover, this delegation does not affect the right of a party to further appeal a final MMS decision to the Interior Board of Land Appeals after the RMP has rendered the final MMS decision.

In addition to the delegation for routine appeals, the Deputy Director of MMS is conducting a thorough review of the entire appeals process, to further expedite appeals. As part of this review, the Deputy Director is considering various alternative dispute mechanisms. Anyone with questions or comments on this review should contact Chris Thomson, Special Assistant to the Deputy Director, at 202-208-3820.

We also are reviewing the information provided in RMP Orders to Pay (Bills for Collection) and Orders to Perform. Because many RMP operating divisions issue orders, our review will examine the consistency, clarity, and type of information provided in the orders. In particular, the review will focus on the following areas:

- (1) Are the orders being addressed correctly?
- (2) Do the orders adequately identify the non-compliance issues and the time periods involved?
- (3) Do the orders adequately identify the authority for MMS' determination of non-compliance?
- (4) Do the orders adequately identify the corrective actions required, for example, the amount due, date due, documents requested, and time period that requires corrective action?
- (5) Do the orders clearly identify the RMP address to use when submitting responses or making inquiries?
- (6) Are the instructions adequate for posting surety instruments on orders requiring payment?
- (7) Do the orders provide adequate information to enable you to decide whether and how to appeal?

As part of our review, we would welcome comments from industry on how to improve the orders. You can send your comments to the Appeals Workgroup Coordinator, Mr. Dennis Whitcomb, Minerals Management Service, Royalty Management Program, P. O. Box 25165, Mail Stop 3600, Denver, CO 80225-0165, by May 1, 1994.

Thank you for taking the time to give us suggestions on how we can improve our service.

Sincerely,



Lucy R. Querques
Associate Director for Policy
and Management Improvement

Attachment