



**U.S. Department of the Interior
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NEWS RELEASE

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MMS PROPOSES TO MOVE TOWARD 100% ELECTRONIC REPORTING

The Department of the Interior's Minerals Management Service (MMS) is proposing to require companies to submit royalty and production reports electronically. The proposed regulation appears in today's Federal Register.

MMS has been developing and successfully using electronic information collection alternatives for several years. "We know that electronic reporting works well for MMS and for the companies that participate. MMS wants 100% participation from reporters to move transactions out of the paper world to a better collection method that is more efficient and accurate. It makes good sense. Electronic reporting provides more timely and accurate data at significantly less cost than paper reports," remarked MMS Director Cynthia Quarterman.

Currently, about 80 percent of royalty data and 60 percent of production data is submitted electronically to MMS. Electronic reporting has streamlined the error correction process, allowing MMS to communicate problems to a reporter, who can then submit corrections to quickly clear the reports. It has reduced MMS error correction costs by 20 percent, manual data entry costs by 60 percent, and file maintenance costs by 24 percent. Companies using an electronic reporting option have experienced as much as a 50 percent reduction in resources needed to comply with the reporting requirements.

MMS offers various electronic reporting and transmission options to reporters and can provide a list of third-party reporting services to reporters not using computers.

Using E-mail or Electronic Data Interchange, also allows reporters to transmit reports on the due date rather than having to allow for manual delivery. Accordingly, MMS is proposing to extend the due date for production reports submitted electronically by 10 days. The royalty payment due date would not change.

In developing the rule, MMS will allow sufficient time for reporters to convert to electronic reporting.

MMS plans to have a final rule take effect by December 31, 1998.

Public comments on the electronic reporting proposal will be accepted until June 8, 1998. They should be mailed to David Guzy, Rules and Publications Staff, Royalty Management Program, Minerals Management Service, P.O. Box 25165, Mail Stop 3021, Denver, CO 80225-0165; delivered to Building 85, Denver Federal Center, 6th and Kipling Streets, Denver, Colorado 80225; or E-mailed to RMP.comments@boem.gov.

MMS is the federal agency that manages the Nation's natural gas, oil, and other mineral resources on the Outer Continental Shelf, and collects, accounts for and last year disbursed over \$6 billion in revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

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