



U.S. Department of the Interior
Minerals Management Service
Minerals Revenue Management

News Release

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MMS Nears Final Stages of Reengineering Financial System,
Looks Forward to October 1 Conversion Date

The U.S. Department of the Interior's Minerals Management Service is nearing final stages in the reengineering of its royalty financial system.

"Scheduled to become effective October 1 of this year, improvements have already undergone major evaluation and testing to meet the needs of industry participants as well as the Minerals Management Service," said Associate Director for Minerals Revenue Management Lucy Querques Denett.

MRM (formerly the Royalty Management Program) undertook its reengineering effort with a review and evaluation of its entire program. Activities and processes were viewed with consideration for evolving demands as well as business practices that will serve the agency into the future decade.

The agency undertook a variety of reengineering efforts, including a restructuring of its internal organization, as well as, a name change to one more reflective of its responsibilities, Minerals Revenue Management.

The changes, some more apparent than others, will make the agency more efficient and effective in its processes as well as long-term interactions with its customers and clients. States, who share in revenues collected by the federal government, and Indians, for whom the MMS provides financial accounting and compliance services, will also benefit from accelerated release of information and revenues.

Among the most important changes will be to MRM's financial system, which supports portions of the program's core mission: collecting, accounting of revenues and associated reporting activities. Effective October 1, they will include both substantial and subtle alterations.

To accommodate the changeover, MRM is creating new publications, providing training and offering assistance to every participant.

A CD-ROM version of the revised Reporter Handbooks is scheduled to be mailed in June to all production and royalty reporters. Additionally, the handbooks will be listed on the MMS website where they can be easily updated.

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MMS has scheduled a series of training classes that will help explain new procedures for both production and royalty reporting. Specific dates and locations were announced in a Dear Payor Letter, dated April 9, 2001, and are now available on the MMS website.

“An important interim deadline is approaching,” reminds Associate Director Denett, “effective June 1, 2001, magnetic and cartridge tapes, electronic mail, and diskette reporting will no longer be accepted.”

Denett pointed out that companies have three options for reporting data to MMS, all through Peregrine Systems (formerly Harbinger Corporation):

“They may use the internet directly, completing forms on Peregrine’s secure website.

“Or, they may use Peregrine-provided software, which they can fill out and transmit to Peregrine via the Internet.

“And finally,” she concluded, “they may submit the data directly through special EDI file formats to Peregrine via a Value Added Network. Once validated by Peregrine the data will be forwarded to MMS.”

Additional, up-to-date information about changes, forms, Federal Register Notices and Dear Payor Letters may be obtained at the MMS website: <http://www.mrm.mms.gov> “Reporting Information” and “Reengineering” subject areas each provide a variety of pertinent information.

For additional information call MRM's Reporter Services at (800)525-0309.

MMS is the federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas and other mineral resources on the outer continental shelf in federal offshore waters. The agency also collects, accounts for and disburses mineral revenues from federal and Indian leases. These revenues totaled nearly \$8 billion last year and more than \$110 billion since the agency was created in 1982. Annually, nearly \$1 billion from those revenues go into the Land and Water Conservation Fund for the acquisition and development of state and federal park and recreation lands.

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MMS Website: <http://www.mms.gov>