



BLM NEWS RELEASE

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Bureau of Land Management
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BLM Releases Yearly Updates to Mineral Cost Recovery Fee Schedule

Washington, D.C. – The Bureau of Land Management (BLM) will publish in the *Federal Register* on Monday, Sept. 10, the final rule updating the fees it charges to recover costs incurred in processing documents associated with oil, gas, coal, and solid mineral activities. The updated fees cover costs for actions, including lease applications, name changes, corporate mergers, and lease consolidations and reinstatements. This is updated yearly based on the change in the Implicit Price Deflator for Gross Domestic Product (IPD-GDP) from the 4th Quarter of one calendar year to the 4th Quarter of the following calendar year.

“It is important that the BLM continue to deliver services in the most fiscally responsible way. Adjusting cost recovery fees every year helps ensure we cover the costs of doing business,” said Acting BLM Director Mike Pool.

The BLM is authorized to charge cost recovery fees under the Federal Land Policy and Management Act of 1976 (FLPMA) and the 2005 Cost Recovery Rule. The Office of Management and Budget (OMB) has also directed Federal agencies to recover their costs for services.

Seven of the fee increases will amount to \$5, and eight of the increases will amount to \$10. The largest adjustment—\$65—will be added to the fee for adjudicating more than 10 mineral patent claims and will increase the fee from \$2,875 to \$2,940. The fee for adjudicating 10 or fewer mineral patent claims will rise by \$30—from \$1,440 to \$1,470.

The BLM first implemented a cost recovery fee schedule for certain oil and gas activities in November 2005. The agency aims to implement the updated fee schedule on Oct. 1, at the beginning of fiscal year 2012. The fees will continue to be evaluated every year thereafter.

The fee changes are the BLM’s response to recommendations made in a 1988 report issued by the Department of the Interior’s Office of Inspector General, which found that the BLM needed to do more to recover its document-processing costs. The fees are based on a commonly used mathematical formula used by businesses nationwide to adjust their expenses. This fee update rule is based on the change in the IPD-GDP from the 4th Quarter of 2010 to the 4th Quarter of 2011, thus reflecting the rate of inflation over four calendar quarters.

The BLM manages more than 245 million acres of public land, the most of any Federal agency. This land, known as the National System of Public Lands, is primarily located in 12 Western states, including Alaska. The BLM also administers 700 million acres of sub-surface mineral estate throughout the nation. In Fiscal Year (FY) 2011, recreational and other activities on BLM-managed land contributed more than \$130 billion to the U.S. economy and supported more than 600,000 American jobs. The Bureau is also one of a handful of agencies that collects more revenue than it spends. In FY 2012, nearly \$5.7 billion will be generated on lands managed by the BLM, which operates on a \$1.1 billion budget. The BLM's multiple-use mission is to sustain the health and productivity of the public lands for the use and enjoyment of present and future generations. The Bureau accomplishes this by managing such activities as outdoor recreation, livestock grazing, mineral development, and energy production, and by conserving natural, historical, cultural, and other resources on public lands.