

103^D CONGRESS
1ST SESSION

S. 1637

To provide a more effective, efficient, and responsive Department of the Interior.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 8 (legislative day, NOVEMBER 2), 1993

Mr. JOHNSTON introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To provide a more effective, efficient, and responsive Department of the Interior.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be referred to as the “Department of
5 the Interior Reform and Savings Act of 1993”.

1 **TITLE I—IMPROVE THE**
2 **FEDERAL HELIUM PROGRAM**

3 **SEC. 101. AMENDMENTS TO HELIUM ACT AMENDMENTS OF**
4 **1960.**

5 (a) Section 4 of the Helium Act Amendments of 1960
6 (74 Stat. 920, 50 U.S.C. 167b) is amended to insert after
7 “lands acquired, leased, or reserved;” the following: “re-
8 duce costs and increase operational efficiencies, especially
9 in operations that do not produce revenue; establish and
10 adjust fees charged private industry for storage, trans-
11 mission, and withdrawal of privately-owned helium from
12 Government storage facilities to compensate fully for all
13 costs incurred;”.

14 (b) Section 6 of the Helium Act Amendments of 1960
15 (74 Stat. 921, 50 U.S.C. 167d) is amended—

16 (1) by amending subsection (b) to read:

17 “(b) The Secretary is authorized to sell helium for
18 Federal, medical, scientific, and commercial uses in such
19 quantities and under such terms and conditions as the
20 Secretary determines. Sales shall be made in quantities
21 and a manner to avoid undue disruption of the usual mar-
22 kets of producers, processors, and consumers of helium
23 and to protect the United States against avoidable loss.”;
24 and

25 (2) by amending subsection (c) to read:

1 “(c) Sales of helium by the Secretary shall be at
2 prices, as established by the Secretary, that are adequate
3 to cover all costs incurred in carrying out the provisions
4 of this Act. Helium shall be sold at prices comparable to
5 helium sold by private industry. An annual review of price
6 comparability shall be made and adjustments shall be
7 made accordingly.”.

8 **SEC. 102. LONG-TERM COMPREHENSIVE PLAN.**

9 The Secretary of the Interior shall prepare and de-
10 velop a long-term, comprehensive plan to (1) cancel the
11 outstanding debt owed to the Treasury by the Department
12 of the Interior related to the Federal helium program; and
13 (2) improve Federal helium program operations over a
14 multi-year period. The plan should analyze various options
15 to accomplish (1) and (2) above, with emphasis on ways
16 to minimize adverse impacts on Federal employment, Fed-
17 eral helium purchasers, and U.S. private sector helium
18 markets. The plan, with the Secretary’s preferred options,
19 shall be presented to the President within 4 months of
20 enactment of this Act. The President may adopt the plan,
21 in whole or in part, and is authorized to cancel the out-
22 standing debt upon a finding that such debt cancellation
23 is in the national interest.

1 **TITLE II—IMPROVE MINERALS**
2 **MANAGEMENT SERVICE ROY-**
3 **ALTY COLLECTION**

4 **SEC. 201. IMPROVEMENT OF MINERALS MANAGEMENT**
5 **SERVICE ROYALTY COLLECTION.**

6 (a) The Secretary of the Interior shall, by fiscal year
7 1995, direct the Minerals Management Service, Royalty
8 Management Program, to develop and implement (1) an
9 automated business information system to provide to its
10 auditors a lease history that includes reference, royalty,
11 production, financial, compliance history, pricing and valu-
12 ation, and other information; (2) the optimum methods
13 to identify and resolve anomalies and to verify that royal-
14 ties are paid correctly; (3) a more efficient and cost-effec-
15 tive royalty collection process by instituting new compli-
16 ance and enforcement measures, including assessments
17 and penalties for erroneous reporting and underreporting;
18 and (4) such other actions as may be necessary to reduce
19 royalty underpayment and increase revenue to the U.S.
20 Treasury by an estimated total of \$28 million by fiscal
21 year 1999.

22 (b) The Federal Oil and Gas Royalty Management
23 Act of 1982 (Public Law No. 97-451), (30 U.S.C. 1701
24 et seq.) is amended by adding a new subsection 111(h)
25 as follows:

1 “PENALTY ASSESSMENT FOR SUBSTANTIAL
2 UNDERREPORTING OF ROYALTY”

3 “SEC. 111. (h)(1) If there is any underreporting of
4 royalty owned on production from any lease issued or ad-
5 ministered by the Secretary for the production of oil, gas,
6 coal, any other mineral, or geothermal steam, from any
7 Federal or Indian lands or the Outer Continental Shelf,
8 for any production month, by any person who is respon-
9 sible for paying royalty, the Secretary may assess a pen-
10 alty of 10 percent of the amount of that underreporting.

11 “(2) If there is a substantial underreporting of roy-
12 alty owed on production from any lease issued or adminis-
13 tered by the Secretary for the production of oil, gas, coal,
14 any other mineral, or geothermal steam, from any Federal
15 or Indian lands or the Outer Continental Shelf, for any
16 production month, by any person who is responsible for
17 paying royalty, the Secretary may access a penalty of 20
18 percent of the amount of that substantial underreporting.

19 “(3) For purposes of this section, the term
20 ‘underreporting’ means the difference between the royalty
21 on the value of the production which should have been re-
22 ported and the royalty on the value of the production
23 which was reported, if the value of the production which
24 should have been reported is greater than the value of the
25 production which was reported. An underreporting con-
26 stitutes a ‘substantial underreporting’ if such difference

1 exceeds 10 percent of the royalty on the value of the pro-
2 duction which should have been reported.

3 “(4) The Secretary shall not impose the assessment
4 provided in paragraphs (1) or (2) if the person corrects
5 the underreporting before the date the person receives no-
6 tice from the Secretary that an underreporting may have
7 occurred, or before 90 days after the date of enactment
8 of this section, whichever is later.

9 “(5) The Secretary shall waive any portion of an as-
10 sessment provided in paragraphs (1) or (2) attributable
11 to that portion of the underreporting for which the person
12 demonstrates that—

13 “(i) the person had written authorization from
14 the Secretary to report royalty on the value of the
15 production on the basis on which it was reported, or

16 “(ii) the person had substantial authority for
17 reporting royalty on the value of the production on
18 the basis on which it was reported, or

19 “(iii) the person previously had notified the
20 Secretary, in such manner as the Secretary may by
21 rule prescribe, of relevant reasons or facts affecting
22 the royalty treatment of specific production which
23 led to the underreporting, or

24 “(iv) the person meets any other exception
25 which the Secretary may, by rule, establish.

1 “(6) All penalties collected under this subsection shall
2 be deposited to the same accounts in the Treasury or paid
3 to the same recipients in the same manner as the royalty
4 with respect to which such penalty is paid.”.

5 **TITLE III—PHASE OUT THE**
6 **MINERAL INSTITUTE PROGRAM**

7 **SEC. 301. PHASE OUT OF MINERAL INSTITUTE PROGRAM.**

8 The Secretary of the Interior, beginning in fiscal year
9 1995, shall take action to phase out the Mining and Min-
10 eral Resources Research Institute Act of 1984, Public Law
11 98-409, as amended (98 Stat. 1536 through 1541 and
12 102 Stat. 2339 through 2341, 30 U.S.C. 1221 through
13 1230). There are hereby authorized to be appropriated
14 under the Act the following amounts: fiscal year 1995—
15 \$6.5 million; fiscal year 1996—\$5 million; fiscal year
16 1997—\$3 million; and fiscal year 1998—\$1.5 million. No
17 further appropriations for this Act are authorized after
18 September 30, 1998.

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