

**RPC Fair Return and Value Subcommittee Meeting Summary**  
**Wednesday, June 13, 2018, 3:00pm**

- 1) Roll Call**
- 2) Opening Remarks and Update from DOI**
- 3) Presentation from Taxpayers for Common Sense**
- 4) Discussion on Taxpayers for Common Sense Presentation**
- 5) Work Group Updates**
- 6) Wrap Up**

**Opening Remarks and Updates from DOI:**

- Thanks for the participation and flexibility at the Albuquerque meeting. The Department and outside groups were pleased with changes. If you have further feedback, please provide to the RPC staff.
- For the September meeting in Denver, we have a request for a presentation on allowances. We will work on that. We are happy to get further requests and feedback.

**Presentation from Taxpayers for Common Sense:**

- Ryan Alexander is a lawyer by training and has worked on taxpayer policy issues for 30 years. Taxpayers for Common Sense (TCS) has been around since 1995 and has a mission of fighting waste and working towards a responsible federal government that works within its means. They are non-partisan and have partnerships across the political spectrum. They have been working on making sure extractive development keeps taxpayers' interest in mind. Their view is that the RPC has an opportunity to address some ongoing issues to make sure taxpayers get full value. Valuation issues are a big concern for them.
- TCS addressed several concerns including ONRR's repeal of the Valuation Rule, specific recommendations from Houston regarding coal, using index pricing for federal gas, royalty rate reduction, venting and flaring issues, and how companies allocate allowable and non-allowable transportation. TCS also discusses some issues that they would like the ROC to look into, including how to encourage more federal production, altering BLM's rental rates, and making DOI data more transparent and readily available.
- TCS would like to see transparent decisions made with taxpayers' interests in mind.
- TCS would like for the release of recommendations to happen well ahead of the time they are discussed at full RPC meetings and would like to figure out a productive way to engage with the RPC.

**Subcommittee Discussion on TCS Presentation:**

- Subcommittee members are open to comments and ideas. Suggestions could be sent to the Co-Directors by email. Formal rulemakings would be opened up for input and public comment if RPC's recommendations are adopted by DOI. Some of the topics brought up, the subcommittee is working on and is open to specific ideas and thoughts from TCS for solutions.
- The government needs to strike a balance of fair return to taxpayers and being competitive (continuing or encouraging production).

- Chris Mentasti mentioned that DOI has an active user research program to evaluate how to improve our data transparency and encouraged Ms. Alexander to participate and provide feedback to see if the team can address her concerns about data availability.
- Ms. Alexander asked about the process between now and the Denver meeting and when the public would be able to review the recommendations that would be presented at that meeting. The subcommittee responded that each work group is currently working projects, and they anticipate having a similar timeline as the last meeting, with materials on the website a few weeks before the full RPC meeting in Denver.

## **Work Group Updates**

### *Coal Benchmarks*

- The work group will meet a week from today to continue valuation conversations they've had and look at a number of topics that have been forwarded to them.

### *O&G Payor Handbook*

- The work group is continuing to review 5 chapters provided by ONRR and will have comments back to ONRR at the beginning of July.

### *Index Pricing and Marketable Condition*

- The work group met yesterday and discussed requirements for an economic analysis for their recommendation on boosting and further discussed index pricing.

### *Audit:*

- The work group will reach out to ONRR for updates on moving forward with implementation.

## **Wrap Up**

The sub-committee has about two months before it has to have recommendations in to the Department. Participants should bring forward any and all topics to work groups and take advantage of the opportunity to participate on this Subcommittee to the greatest extent possible.

## **Roll Call**

### Attendees:

Bonnie Robson, DOI/ONRR  
 Brian Bex, Navajo Nation  
 Chris Mentasti, DOI/ONRR  
 Daniel Rusz, Wood McKenzie  
 Gabrielle Gerholt, Concho  
 Gregory Morby, Chevron  
 James Schindler, RPC Executive Director  
 Jennifer Malcolm, DOI/ONRR  
 Maroya Faied, ONRR  
 Matthew Adams (Co-Director), Cloud Peak  
 Megan Hesse, ONRR  
 Pat Noah, ConocoPhillips

Peter Christnacht, DOI/ONRR  
Rod Eggert, Colorado School of Mines  
Rowena Cheromiah, Navajo Nation  
Ryan Alexander, Taxpayers for Common Sense  
Stella Alvarado, Anadarko