

**Planning,
Analysis, &
Competitiveness
Recommendation**

Subcommittee Proposing Recommendation:

Planning, Analysis, & Competitiveness

RECOMMENDATION:

RPC recommends that the Secretary of the Interior pursue rulemaking to adopt all applicable provisions of the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) and the Federal Oil and Gas Royalty Simplification Act of 1996 to include Federal coal by the provisions of each statute. The Secretary should also propose Federal coal be included in the statute in his legislative proposals to Congress as necessary.

Nature of change:

This change would require rulemaking and an inclusion in the Department's legislative proposals.

Background:

In 1983 Congress enacted the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) 30 U.S.C. §§ 1701 et seq. The primary purpose was to give the Secretary of the Interior expanded authority to audit and enforce royalty payment obligations related to Federal and Indian oil and gas leases. In addition to addressing issues to allow effective administration of royalty obligations and collections, FOGMRA established timetables and accountability requirements.

Analysis:

This recommendation is to provide the same burdens and benefits of FOGRMA (as amended) for coal lessees that are provided to oil and gas lessees. Providing the same fiscal and administrative framework for all energy lessees on Federal land will ensure, among other outcomes: timely enforcement of coal royalty filings; and an agreed upon framework for dealing with credits, overpayments and underpayments of royalties.

The recommendation is for Federal coal only.