

INNOVATION #2
FOR RELEASE: October 12, 1995

CONTACT: Tom DeRocco
(202) 208-3983

Michael L.Baugher
(303) 231-3162

MMS ANNOUNCES \$1.1 MILLION IN PROGRAMMATIC SAVINGS THROUGH PROCESS STREAMLINING AND NEW TECHNOLOGY

The U.S. Department of the Interior's Minerals Management Service (MMS) announced today that it is implementing the first phase of changes recommended by a special National Performance Review Laboratory that re-engineered the MMS's mineral lease and payor data processes. These innovations will result in programmatic efficiencies valued at approximately \$1.1 million, when fully implemented in 1997. The changes will involve streamlining processes and the use of new computer imaging technology that will increase efficiency, improve customer service, and will eventually produce a paper-free environment for these processes.

"These programmatic savings come at a critical time and will enable us to ensure that the overall service provided by MMS will remain at its current high level despite tight budgetary constraints." said MMS Director Cynthia Quarterman.

The Common Reference Data Reinvention Laboratory was initiated in September 1994. The laboratory's emphasis was on the categories and level of information required by the oil and gas Payor Information Form (PIF), the way it is processed, and how it may be improved. The PIF is submitted by the royalty payor when production begins to establish an account and identify selling arrangements and revenue sources.

A three-month pilot was conducted from April - June 1995 to test the PIF process as re-engineered by MMS. A new Computer Output to Laser Disk imaging system allowed the forms to be processed into the system using an electronic image.

"The results of the pilot program showed that MMS was able to dramatically reduce its processing time from 14 to 3 working days, which will result in more timely distribution of both data and revenues to our State and Indian customers," Quarterman said.

"In the second phase in this process, our customers will participate in the redesign of the PIF itself, eliminating unneeded data fields and simplifying the format of those that remain. This will result in immediate

and direct administrative efficiencies for our industry customers," explained Quarterman.

"In addition, the recently established Royalty Policy Committee will consider all royalty reporting methods and requirements including electronic reporting of information. This should result in simplified reporting of the information currently provided by the PIF and possibly the elimination of the form.

"This experience shows that Government can be improved through reinvention, and that our employees--as resident experts--are in a position to make important recommendations," concluded Quarterman. "MMS will continue to seek out and implement innovative improvements in consultation with our State, Indian and industry customers. Our goal is to make the agency more efficient, more cost-effective and more responsive to our customers and the American taxpayers."

MMS is the federal agency that manages the Nation's natural gas, oil and other mineral resources on the Outer Continental Shelf, and collects, accounts for, and disburses about \$4 billion yearly in revenues from mineral leases on federal and Indian land.

-MMS-